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NEW JERSEY



COMPREHENSIVE ANNUAL FINANCIAL REPORT JUNE 30, 1986

Thomas H. Kean
Governor

Department of the Treasury
Feather O'Connor
State Treasurer

Division of Budget and Accounting
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Deputy State Comptroller

Division of Budget and Accounting
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Stephen D. Rohrer
Manager of Financial Reporting

**STATE OF NEW JERSEY
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1986
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INTRODUCTION





State of New Jersey
DEPARTMENT OF THE TREASURY
OFFICE OF MANAGEMENT AND BUDGET
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TRENTON, NEW JERSEY 08625

RICHARD B. STANDIFORD
DIRECTOR AND COMPTROLLER
DIVISION OF BUDGET AND ACCOUNTING

FEATHER O'CONNOR
STATE TREASURER

December 31, 1986

Governor Thomas H. Kean
Members of the Legislature
Citizens of New Jersey

In accordance with the provisions of N.J.S.A. 52: 27B-46, we are pleased to transmit to you the Annual Financial Report for the year ended June 30, 1986, depicting the financial condition of the State and the results of operations for the year.

This report was prepared by the Department of the Treasury, Office of Management and Budget, Division of Budget and Accounting, which is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. The report presents the financial position and operating results of the State under generally accepted accounting principles, as well as, the traditional budgetary basis presentations and includes audited financial statements. We are confident the data is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of the State's operations as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial affairs have been included.

REPORTING ENTITY

As required by generally accepted accounting principles, the accompanying financial statements include the funds and account groups of the State ("oversight entity") and those component units of government determined to be part of the "oversight entity." These component units of government include various public authorities, corporations, commissions, and universities that are not operating departments of the State but for which the State is deemed to have oversight responsibility. Accepted accounting principles provide that oversight responsibility includes the ability to select the governing authority, ability to significantly influence operations, accountability for fiscal matters, financial interdependency and scope of public service. The financial condition and activities of State component units meeting this criteria are presented in the accompanying financial statements as Enterprise Funds for authorities, corporations and commissions and as University Funds for financial activities of the University of Medicine and Dentistry of New Jersey, Rutgers, the State University and New Jersey Institute of Technology. The amounts presented were derived from their most recent audited financial statements. At year end these component unit entities reflected combined net assets of \$17.2 billion. In addition, for the first time, the activity of the several pension plans sponsored and administered by the State are included in the accompanying financial statements. For further information on both the component units and the pension plans, refer to Notes 20 and 15 respectively, of the notes to the General Purpose Financial Statements.

METHOD OF PRESENTATION

The reporting approach established by the National Council on Governmental Accounting in Statement 1 and endorsed by the Governmental Accounting Standards Board has been utilized. This approach does not provide a consolidated State financial statement; rather, it combines funds and component units in columns of fund types to provide an overview of the State's financial position and results of operations. The statements which reflect these combined fund type columns are referred to as the General Purpose Financial Statements and the auditor's opinion is rendered upon the statements and notes in this section.

Following the General Purpose Financial Statements are the combining financial statements, schedules, statistical data, and budgetary revenue and appropriation statements. These statements and schedules provide detail, generally by fund, for the amounts shown in the fund type columns in the General Purpose Financial Statements.

ACCOUNTING SYSTEMS AND BUDGETARY CONTROLS

The accounting records of most State departments are maintained on a centralized accounting system. The operations of this system are directed and supervised by the Office of Management and Budget, Division of Budget and Accounting. Separate accounting systems are maintained by those component units of government which are included in the State's reporting entity.

The State's annual budget is comprised of individual appropriations to departments for specific programs, purposes, and/or special outlays and operating expenditures. Budgetary control is exercised at the department level by individual appropriations and by allocations within appropriations to various major objects of expenditure.

Encumbrance accounting is employed to ensure that expenditures do not exceed appropriations and allocations. Under encumbrance accounting, purchase orders, contracts, and other commitments involving the expenditure of monies are recorded in estimated amounts in order to reserve a portion of an appropriation until an actual liability is incurred. Total encumbrances and expenditures are monitored so as not to exceed amounts appropriated and/or allocated. Encumbrances outstanding at the end of a fiscal year are reported in the financial statements as reservations of fund balance, as distinguished from undesignated fund balances. Any unencumbered and unexpended non-continuing appropriations lapse at the end of the fiscal year and become available for appropriation in the next fiscal year.

In developing and maintaining the State's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and reliability of the financial records used in preparation of the financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the State's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

FISCAL YEAR 1986—OVERVIEW

REVENUES

Budgetary revenues for general governmental operations totaled \$8.6 billion. This represents an increase of \$609.0 million or 7.6% over 1985. Major taxes comprised 84% of total revenues. The largest part of major tax revenues consisted of Sales tax, Gross Income tax and Corporation Business tax which accounted for 29%, 24%, and 12% respectively of total revenues. Other major tax revenues (Cigarette, Public Utilities Excise, Motor Fuels, etc.) accounted for 19% of total revenues.

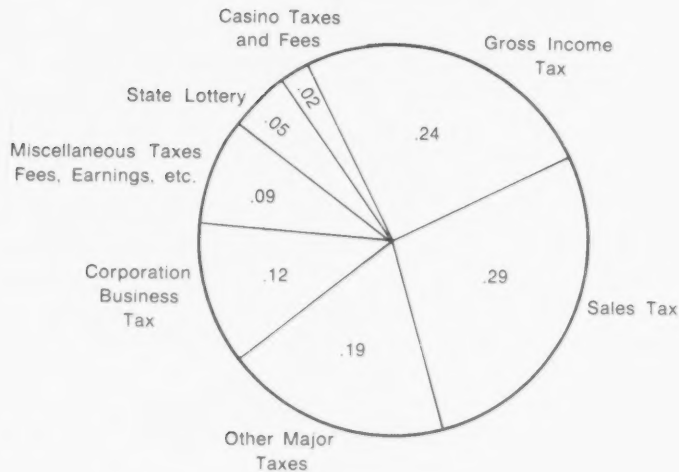
The remaining 16% of total revenues was generated from principally three sources. Miscellaneous taxes, fees, fines, investment earnings, etc. (\$802.1 million) generated 9% of total revenues while State Lottery revenues (\$419.4 million) and Casino taxes and fees (\$220.4 million) represented 5% and 2% respectively of the total revenues for the year.

SCHEDULE OF BUDGETARY REVENUES

Source of Revenue (\$000)	F.Y. 1986	F.Y. 1985	Increase	
	Amount	Amount	Amount	Per Cent
Sales Tax	\$2,529,091	\$2,260,827	\$268,264	11.9%
Gross Income Tax	2,052,592	1,935,145	117,447	6.1
Corporation Business Tax	996,135	976,315	19,820	2.0
Other Major Taxes	1,613,767	1,524,025	89,742	5.9
Miscellaneous Taxes, Fees, Earnings, etc.	802,120	729,075	73,045	10.0
State Lottery	419,353	390,550	28,803	7.4
Casino Taxes and Fees	220,375	215,041	5,334	2.5
	<u>\$8,633,433</u>	<u>\$8,030,978</u>	<u>\$602,455</u>	<u>7.5%</u>

The State experienced continuing growth in revenues due to favorable national and statewide economic conditions. Revenue highlights for 1986 include a \$268.3 million or 11.9% increase in sales tax collections over 1985, a \$117.4 million or 6.1% increase in personal income tax collections, and a \$28.8 million or 7.4% increase in State Lottery revenues. The graph below illustrates the various sources which comprise the revenue dollar for fiscal year 1986.

REVENUE DOLLAR Fiscal Year 1986



Sales Tax	\$.29
Gross Income Tax	.24
Corporation Business Tax	.12
Other Major Taxes	.19
Miscellaneous Taxes, Fees, Earnings, etc.	.09
State Lottery	.05
Casino Taxes and Fees	.02
Total	\$1.00

EXPENDITURES

Budgetary expenditures for general governmental operations totaled \$8.7 billion in 1986, an increase of \$913.0 million, or 11.7% over 1985.

SCHEDULE OF BUDGETARY EXPENDITURES

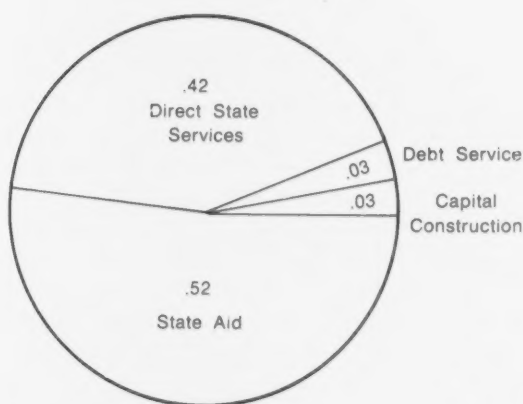
Expenditure Category (\$000)	F.Y. 1986	F.Y. 1985	Increase	
	Amount	Amount	Amount	Per Cent
State Aid	\$4,536,529	\$4,076,715	\$459,814	11.3%
Direct State Services	3,629,456	3,209,187	420,269	13.1
Debt Service	295,833	295,301	532	.2
Capital Construction	273,176	240,836	32,340	13.4
	<u>\$8,734,994</u>	<u>\$7,822,039</u>	<u>\$912,955</u>	<u>11.7%</u>

State aid was the largest expenditure of the state budget. In fiscal year 1986, 51.9 percent of the State's expenditures consisted of funds which were distributed to homeowners, municipalities, counties, school districts, and for the non-federal share of the Medicaid program. The largest state aid expenditure, \$2,677.6 million, was provided for local elementary and secondary education programs. State aid expenditures by the Treasury Department totaled \$657.5 million to fund homestead rebates to homeowners, senior citizens' and veterans' property tax deductions, revenue sharing and other distributions to municipalities. A total of \$821.1 million was expended for state aid programs administered by the Department of Human Services. Of that amount, \$557.2 million was expended as the State's share of Medicaid, which provides hospital, nursing home, medical, and pharmacist services for those people eligible for a variety of welfare programs. In addition, \$265.4 million was expended for welfare programs.

The second largest portion of expenditures was applied to direct state services programs. In fiscal year 1986, expenditures for direct state services represented approximately 42 per cent of expenditures. A total of \$676.7 million was expended by the Department of Higher Education for the support of the state colleges and universities. A total of \$776.6 million was expended for programs administered by the Department of Human Services, to provide support for day care centers, homemaker services, child abuse prevention, programs for the aged, juvenile reform programs, and mental health and mental retardation programs. A total of \$557.6 million was expended by the Departments of Law and Public Safety, and Corrections, and \$309.1 million was expended by the Department of Transportation.

In 1986, \$273.2 million, or 3.2 per cent of the State budget, was expended for capital construction. This compares to \$240.8 million expended in 1985. Monies expended for capital construction represent the State's effort on a pay-as-you-go basis as opposed to borrowing for construction purposes.

EXPENDITURE DOLLAR Fiscal Year 1986



State Aid	\$.52
Direct State Services	.42
Debt Service	.03
Capital Construction	.03
Total	<u>\$1.00</u>

FUND BALANCE

The State ended fiscal year 1986 with an undesignated fund balance (surplus) of \$646.0 million for the major governmental funds. The following table presents a comparison of the 1986 and 1985 fiscal year undesignated fund balances in millions for the funds comprising this figure.

<u>Fund</u>	<u>1986</u>	<u>1985</u>	<u>Change</u>
General Fund	\$444.5	\$716.8	\$(272.3)
Property Tax			
Relief Fund	76.5	94.8	(18.3)
Casino Revenue Fund	125.0	73.5	51.5
	<u>\$646.0</u>	<u>\$885.1</u>	<u>\$(239.1)</u>

INVESTMENTS

The book value of all securities held by the state investment funds as of June 30, 1986, was \$17.0 billion, an increase of 14.1 per cent, or \$2.1 billion over fiscal year 1985. Of the \$17.0 billion book value of funds, the assets of the seven pension funds represent \$12.9 billion book value of funds, while the remainder was in trust funds and other state funds.

The net investment earnings produced by the investments in fiscal year 1986 were \$1.18 billion, an increase of \$45.7 million or 4.0 per cent over the prior year. The largest portion of the earnings, \$931.5 million, was earned on securities held by the state-managed pension funds. These earnings enable the State to reduce its obligation to appropriate tax dollars to fund the accrued liability of the State's pension obligations. The remaining \$248.5 million was earned on various state demand, reserve, static, and trust funds.

The book value of securities noted above include amounts representing the New Jersey Cash Management Fund. The New Jersey Cash Management Fund is an investment pool made up of assets of a number of state funds, together with deposits from "Other than State" entities, including counties, municipalities, school boards, and other eligible public entities.

The fund provides that eligible participants can deposit and withdraw funds at any time and earn daily interest at a rate which reflects interest and amortization income of the securities in the fund. The gross daily return for the fund on an annualized basis was 7.79 per cent in fiscal year 1986, compared to 9.58 per cent in the prior year.

As of June 30, 1986, the General Fund share in the Cash Management Fund approximated \$1.5 billion.

A State law enacted on August 27, 1985 requires the Division of Investment to divest of all securities or other obligations of any company engaged in business in or with the Republic of South Africa by August 27, 1988. As of June 30, 1986, the market value of these investments equals or exceeds the applicable cost basis.

FEDERAL AID

According to the most recently published statistics, New Jersey is ninth highest among the states in the amount of federal aid received. During fiscal year 1986 federal expenditures on a budgetary basis in the General Fund amounted to \$2.08 billion, an increase of \$60.0 million over fiscal year 1985 budgetary expenditures.

The largest portion of federal aid is made up of entitlements, whereby the State is reimbursed for expenditures up to a certain percentage of total cost. For example, in the Medicaid program the federal government reimburses the State for approximately 48 percent of total expenditures. In the AFDC program, federal reimbursement represents 50 percent of assistance costs.

Other federal aid is provided to the State by means of various formulae programs, which determine how much federal aid will be allocated to each state for certain programs. The State may or may not have to submit a grant application.

A third major type of federal aid is funding for which the State must apply through grant applications.

Whether federal aid is received under a formula, an entitlement, or a categorical grant program, the actual expenditure of funds may be either at the State level, the local level, or some other level, such as a non-profit agency. For example, education funds are transmitted to local school districts; transportation funds can be used for State highway construction and for local roads; welfare funds are reimbursements to counties for expenditures incurred at the county level; Medicaid funds are disbursed to health care providers; and social services funds are used both at the State level and by non-profit agencies.

FIXED ASSETS

The Division of Budget and Accounting, Office of Management and Budget has taken steps to develop and present a General Fixed Asset Account Group in future financial statements. To this end, funds have been appropriated to determine the effectiveness and efficiency of state agency systems, propose statewide policy and practices and develop a plan to maintain, control and report fixed asset data in a manner that meets reporting requirements. Implementation will follow.

DEBT MANAGEMENT

New Jersey continues to receive the highest bond rating from both Moody's Investor Service (Aaa) and Standard and Poor's Corporation (AAA). This reflects New Jersey's long-standing record of sound financial management.

Outstanding Long-Term Debt as of June 30, 1985 was \$2,435,760,000. During fiscal year 1986 the State issued \$180,000,000 in bonds. Total Long-Term Debt as of June 30, 1986 amounted to \$2,479,055,000.

THE YEAR AHEAD

The State continues to maintain a strong financial position. New Jersey enters Fiscal Year 1987 with a substantial undesignated fund balance.

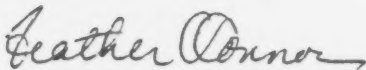
The financial position of the State will be influenced by the current sluggishness exhibited by the national economy, the impact of the Federal Tax Reform Act of 1986 and the increasing demands placed on government for both services and aid.

The economy of the State has kept ahead of the national economic growth; however, continued sluggishness of the national economy may have an adverse impact on New Jersey's continued growth. On the positive side, The Tax Reform Act should result in increased revenues to the State and will enhance the State's ability to pay for such things as toxic waste cleanup.

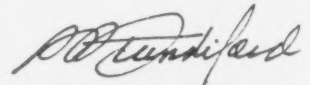
Despite financial uncertainties posed by the national economy and the Tax Reform Act of 1986 the current financial position will enable the State to meet its current needs. Sound financial management and judicious spending of resources will provide the basis for providing quality programs that address the environmental and social needs of the citizens of New Jersey.

Finally, we wish to express our appreciation to the many people whose dedicated efforts made possible the preparation of this report. We believe their combined efforts have produced a report that will enable government decision makers and concerned citizens to evaluate and understand the State's financial condition.

Respectfully submitted,



Feather O'Connor
State Treasurer



Richard B. Standiford
State Comptroller

NEW JERSEY STATE GOVERNMENT

LEGISLATIVE

Legislative Activities
Senate
General Assembly
Commissions
Support Services
Legal Services
Information and Research
State Auditing
Budget and Program Review

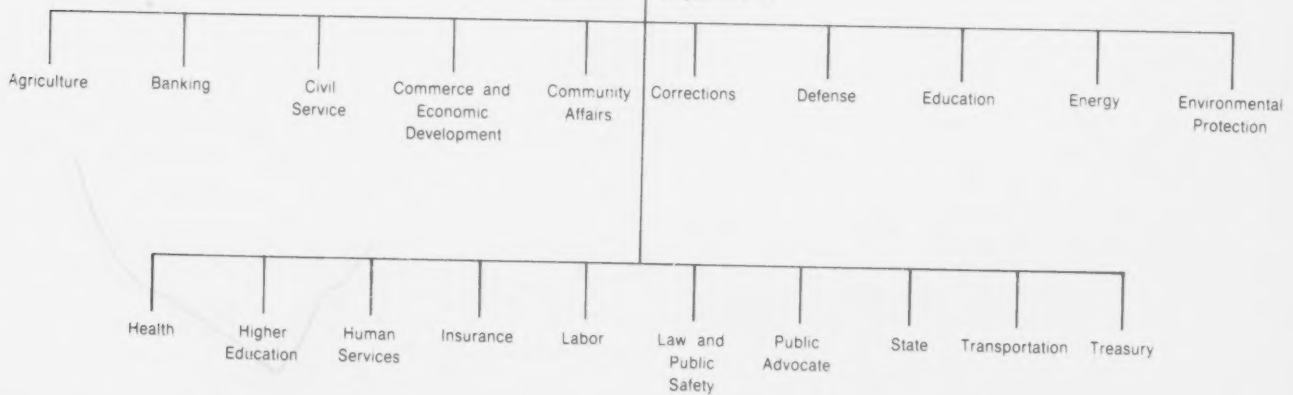
EXECUTIVE

Office of the Governor

JUDICIARY

Court System
Supreme Court
Superior Court
Civil Court
Criminal Courts
Family Courts
Municipal Courts
Probation Services
Court Reporting
Legal and Professional Services
Information Services
Field Operations
Management and Administration

Executive Departments



FINANCIAL SECTION

GENERAL PURPOSE
FINANCIAL STATEMENTS

LEGISLATIVE SERVICES
COMMISSION

SENATOR
JOHN F. RUSSO
Chairman

ASSEMBLYMAN
ROBERT E. LITTELL
Vice-Chairman

SENATE
DONALD T. DIFRANCESCO
MATTHEW FELDMAN
WALTER E. FORAN
S. THOMAS GAGLIANO
JAMES R. HURLEY
CARMEN A. ORECHIO
LAURENCE S. WEISS
GENERAL ASSEMBLY

BYRON M. BAER
JOHN O. BENNETT
WILLIE B. BROWN
JOHN PAUL DOYLE
CHUCK HARDWICK
DENNIS L. RILEY
ANTHONY M. VILLANE, JR.



New Jersey State Legislature
OFFICE OF LEGISLATIVE SERVICES
OFFICE OF THE STATE AUDITOR
210 CARNEGIE CENTER
PRINCETON, NEW JERSEY 08540

ALBERT PORRONI
Executive Director
(609) 292-4625

JAMES J. DOLAN
State Auditor
(609) 292-3700

December 30, 1986

The Honorable Thomas H. Kean
Governor of New Jersey

The Honorable John F. Russo
President of the Senate

The Honorable Chuck Hardwick
Speaker of the General Assembly

Mr. Albert Porroni
Executive Director
Office of Legislative Services

Gentlemen:

We have examined the general purpose financial statements of the State of New Jersey, as of and for the year ended June 30, 1986, as listed in the foregoing table of contents-Financial Section. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the financial statements of the enterprise funds and the university funds. These statements were examined by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for these entities, is based solely upon the reports of other auditors. Further information pertaining to these entities is provided in Note 20.

As described more fully in Note 1, the State has not maintained a record of general fixed assets and, accordingly, the general purpose financial statements referred to above do not include a statement of the general fixed asset account group. The financial statements for the aforementioned account group are required by generally accepted accounting principles.

As more fully explained in Note 2, the State of New Jersey has reclassified certain of its funds between fund types and account groups. In addition, Note 2 describes the inclusion of the pension trust funds and other benefit programs within the general purpose financial statements. These changes were made in order to comply more fully with generally accepted accounting principles.

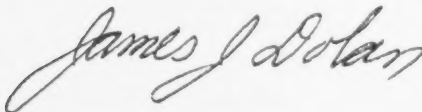
In our opinion, based on our examination and the reports of other auditors, except for the effect of not including fixed assets, as previously set forth, the general purpose financial statements listed in the aforementioned table of contents present fairly the financial position of the State of New Jersey at June 30, 1986, and the results of its operations and the changes in financial position of its proprietary funds and similar trust funds for the year then ended, in conformity with generally accepted accounting principles which, except for the changes, with which we concur, as described in Note 2, have been applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of New Jersey. This information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The accompanying statistical and supplemental schedules as listed in the aforementioned table of contents are presented as additional analytical data and are not necessary for a fair presentation of the general purpose financial statements. This information has not been audited by us and, accordingly, we do not express an opinion on them.

The examination was performed and this report is submitted pursuant to the State Auditor's audit responsibilities as set forth in Article VII, Section 1.6 of the State Constitution, and N.J.S.A. 52:24-4.

Respectfully submitted,

A handwritten signature in cursive script, reading "James J. Dolan". The signature is written in dark ink and is positioned above the printed name and title.

James J. Dolan
State Auditor

**STATE OF NEW JERSEY
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1986**

	GOVERNMENTAL FUND TYPES		
	General Fund	Special Revenue Funds	Debt Service Fund
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 18,158,884	\$ 3,601,338	\$6,801,122
INVESTMENTS	52,793,252	163,207,008	—
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	340,880,225	114,361	—
Departmental accounts	649,382,598	136,848,582	—
Loans	1,500,000	74,044,798	—
Mortgages	—	—	—
Other	—	34,430,617	—
FIXED ASSETS, NET	—	—	—
OTHER ASSETS			
Due from other funds	1,724,904,270	508,172,278	—
Due from intergovernmental agencies	—	—	—
Advances to other funds	4,376,736	—	—
Deferred charges	2,940,000	846,894	—
Amount to be provided for:			
Retirement of bonds	—	—	—
Payment of capital leases	—	—	—
Other	—	10,796	—
Total Assets	<u>\$2,794,935,965</u>	<u>\$921,276,672</u>	<u>\$6,801,122</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	\$ 782,211,655	\$200,455,705	\$ —
Deferred revenue	43,009,445	9,993	—
Due to other funds	186,089,602	118,179,023	—
Due to intergovernmental agencies	—	—	—
Advances from other funds	4,006,199	3,520,453	—
Other	59,781,263	11,576,873	—
Matured interest payable	—	—	3,822,122
Matured bonds payable	—	—	2,979,000
Deferred compensation payable	—	—	—
General obligation bonds payable	—	—	—
Revenue bonds payable	—	—	—
Notes payable	—	—	—
Capital leases payable	—	—	—
Total Liabilities	<u>1,075,098,164</u>	<u>333,742,047</u>	<u>6,801,122</u>
FUND BALANCES			
Cost of investment in facilities	—	—	—
Reserved for:			
Encumbrances	391,418,930	156,439,670	—
Higher education programs	—	—	—
Pension benefits	—	—	—
Other	62,895,920	83,005,944	—
Unreserved:			
Designated for continuing appropriations	821,020,636	622,032,368	—
Undesignated	444,502,315	(273,943,357)	—
Total Fund Balances	<u>1,719,837,801</u>	<u>587,534,625</u>	<u>—</u>
Total Liabilities and Fund Balances	<u>\$2,794,935,965</u>	<u>\$921,276,672</u>	<u>\$6,801,122</u>

The accompanying notes are an integral part of the financial statements.

Capital Projects Funds	PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPES	ACCOUNT GROUP	
	Enterprise Funds	Trust and Agency Funds	General Long-Term Obligations Account Group	University Funds
\$ 180,781	\$ 142,619,142	\$ 46,969,588	\$ —	\$ 112,145,986
—	5,723,945,915	17,712,735,688	—	186,077,088
37,136,396	—	1,031,852,243	—	—
23,820,903	—	89,276,242	—	152,323,473
—	—	347,196,631	—	—
—	3,658,598,500	—	—	—
1,437,194	1,707,622,295	597,105,137	—	—
—	4,114,781,153	—	—	1,065,528,234
185,937,817	—	11,968,186,345	—	8,793,385
—	78,620,964	—	—	—
—	—	4,006,199	—	—
—	16,794,236	—	—	—
—	58,240,000	—	2,479,055,000	—
—	—	—	492,828,667	—
—	170,917,518	—	—	13,338,762
<u>\$248,513,091</u>	<u>\$15,672,139,723</u>	<u>\$31,797,328,073</u>	<u>\$2,971,883,667</u>	<u>\$1,538,206,928</u>
\$ 48,101,091	\$ 348,649,433	\$ 567,014,959	\$ —	\$ 81,632,803
6,400,717	72,578,087	5,227,261	—	20,089,981
61,752,210	—	14,021,179,875	—	8,793,385
—	76,752,325	—	—	—
—	10,203,292	856,283	—	—
—	313,542,146	1,104,098,501	—	18,967,514
—	—	—	—	—
—	—	46,031,441	—	6,658,687
—	—	—	2,479,055,000	—
—	9,567,362,171	—	—	128,885,000
—	76,105,761	—	—	4,482,307
—	—	—	492,828,667	12,891,069
<u>116,254,018</u>	<u>10,465,193,215</u>	<u>15,744,408,320</u>	<u>2,971,883,667</u>	<u>282,400,746</u>
—	2,539,114	—	—	945,572,090
141,474,808	—	79,301	—	—
—	—	—	—	175,194,461
—	—	14,332,139,876	—	—
—	4,638,598,394	132,521,933	—	9,043,085
191,840,505	—	—	—	—
(201,056,240)	565,809,000	1,588,178,643	—	125,996,546
<u>132,259,073</u>	<u>5,206,946,508</u>	<u>16,052,919,753</u>	<u>—</u>	<u>1,255,806,182</u>
<u>\$248,513,091</u>	<u>\$15,672,139,723</u>	<u>\$31,797,328,073</u>	<u>\$2,971,883,667</u>	<u>\$1,538,206,928</u>

STATE OF NEW JERSEY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1986

	GOVERNMENTAL	
	General Fund	Special Revenue Funds
REVENUES		
Taxes	\$5,730,443,915	\$2,255,148,990
Federal and other grants	2,248,377,849	7,885,214
Licenses and fees	440,824,130	37,900,492
Services and assessments	648,954,570	33,689,074
Investment earnings	52,013,394	44,181,763
Contributions	—	—
Other	66,548,912	1,009,816,235
Total Revenues	9,187,162,770	3,388,621,768
OTHER INCREASES		
Transfers from other funds	539,627,270	27,307,880
Proceeds from sale of bonds	—	53,600,000
Other	31,544	14,994,373
Total Other Increases	539,658,814	95,902,253
Total Revenues and Other Increases	9,726,821,584	3,484,524,021
EXPENDITURES		
Public safety and criminal justice	661,151,429	40,721,814
Physical and mental health	1,527,504,936	46,410,208
Educational, cultural and intellectual development	2,577,729,243	1,658,090,678
Community development and environmental management	342,755,266	86,574,285
Economic planning, development and security	1,390,577,617	72,306,235
Transportation programs	621,341,320	3,255,965
Government direction, management and control	1,826,551,982	455,960,320
Special government services	80,608,242	585,047,659
Debt service:		
Principal	—	—
Interest	—	—
Total Expenditures	9,028,220,035	2,948,367,164
OTHER DECREASES		
Transfers to other funds	440,166,782	483,128,895
Other	829,047	8,508,135
Total Other Decreases	440,995,829	491,637,030
Total Expenditures and Other Decreases	9,469,215,864	3,440,004,194
Net Increase (Decrease) in Fund Balances for the Year	257,605,720	44,519,827
FUND BALANCES—JULY 1, 1985	1,462,232,081	543,014,798
FUND BALANCES—JUNE 30, 1986	\$1,719,837,801	\$ 587,534,625

The accompanying notes are an integral part of the financial statements.

FUND TYPES

	FUND TYPES		FIDUCIARY FUND TYPES	
	Debt Service Fund	Capital Projects Funds	Expendable Trust Funds	
\$	—	\$ —	\$1,277,665,631	
	—	206,034,364	63,027,668	
	—	—	4,214,592	
	—	133,899,000	85,351,484	
	—	14,018,336	124,949,663	
	—	—	231,076,492	
	—	886,559	39,522,943	
	—	354,838,259	1,825,808,473	
295,832,584	—	—	142,666,921	
—	—	119,000,000	7,400,000	
—	—	824,706	17,458,821	
295,832,584	—	119,824,706	167,525,742	
295,832,584	—	474,662,965	1,993,334,215	
—	—	43,661,680	6,816,271	
—	—	710,303	—	
—	—	942,434	52,319,205	
—	—	17,178,374	654,458	
—	—	—	924,575,533	
—	—	391,227,232	—	
—	—	—	380,342,714	
—	—	—	538	
136,705,000	—	—	—	
159,127,584	—	—	—	
295,832,584	—	453,720,023	1,364,708,719	
—	—	14,537,337	67,601,641	
—	—	607,948	22,299,097	
—	—	15,145,285	89,900,738	
295,832,584	—	468,865,308	1,454,609,457	
—	—	5,797,657	538,724,758	
—	—	126,461,416	1,102,112,726	
\$	—	\$132,259,073	\$1,640,837,484	

STATE OF NEW JERSEY
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1986

	PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	
	Enterprise	Pension Trust	Nonexpendable Trust
REVENUES			
Charges for services and sales	\$1,000,249,737	\$ —	\$ —
Contributions	—	1,326,195,876	—
Mortgage interest	187,558,000	—	—
Investment income	190,686,712	1,215,794,097	31,541
Governmental subsidies and grants	217,070,121	—	—
Other	94,086,059	15,069,455	—
Total Revenues	1,689,650,629	2,557,059,428	31,541
EXPENSES			
Operations	1,000,804,481	—	—
Benefit payments	—	794,765,031	—
Interest	410,076,925	—	—
Depreciation and amortization	79,727,714	—	—
Other	75,887,755	97,868,805	—
Total Expenses	1,566,496,875	892,633,836	—
Excess of Revenues Over Expenses	123,153,754	1,664,425,592	31,541
FUND BALANCE—Beginning Of Year	4,361,947,097	12,747,240,604	416,073
Other fund balances changes	721,845,657	—	(31,541)
FUND BALANCE—End Of Year	\$5,206,946,508	\$14,411,666,196	\$416,073

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1986

	PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	
	Enterprise	Pension Trust	Nonexpendable Trust
SOURCES OF FINANCIAL RESOURCES			
Operations:			
Excess of revenues over expenses	\$ 123,153,754	\$1,664,425,592	\$31,541
Expenses not requiring current outlay of financial resources:			
Accretion and amortization	—	(6,879,728)	—
Depreciation and amortization	99,749,827	—	—
Other	(13,119,068)	—	(11,650)
Total Sources of Financial Resources from Operations	209,784,513	1,657,545,864	19,891
Decrease in investments	46,888,232	293,098,591	—
Issuance of notes payable	264,650,866	—	—
Issuance of revenue bonds	4,887,640,130	—	—
Increase of deferred revenue	55,939,381	—	—
Increase in accounts payable and accrued expenses	57,761,919	21,626,118	—
Increase in due to other funds	—	10,510,815	(35,000)
Increase in other liabilities	103,601,762	—	—
Other, net	740,728,305	—	9,235
Total Sources of Financial Resources	6,366,995,108	1,982,781,388	(5,874)
USES OF FINANCIAL RESOURCES			
Increase in deferred charges	1,123,000	—	—
Increase in due from other funds	—	1,885,145,367	29,200
Increase in investments	3,165,389,483	47,833,245	—
Increase in receivables	942,874,260	51,627,401	—
Increase in other assets	43,248,257	—	—
Acquisition of fixed assets	365,982,302	—	—
Decrease in accounts payable and accrued expenses	5,054,275	1,099,256	—
Retirement of notes payable	306,968,472	—	—
Retirement of bonds	1,527,555,872	—	—
Total Uses of Financial Resources	6,358,195,921	1,985,705,269	29,200
Net Increase (Decrease) in Cash and Cash Equivalents	8,799,187	(2,923,881)	(35,074)
CASH AND CASH EQUIVALENTS—Beginning of Year	133,819,955	3,088,000	35,213
CASH AND CASH EQUIVALENTS—End of Year	\$ 142,619,142	\$ 164,119	\$ 139

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
UNIVERSITY FUNDS
BALANCE SHEET
JUNE 30, 1986

	CURRENT FUNDS	
	Unrestricted	Restricted
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 35,445,360	\$18,171,792
INVESTMENTS	—	14,183,090
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES		
Departmental	74,956,630	17,751,804
FIXED ASSETS	—	—
OTHER ASSETS		
Due from other funds	3,445,258	5,235,489
Other	9,606,767	89,315
Total Assets	\$123,454,015	\$55,431,490
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued expenses	\$ 73,717,927	\$ 6,516,003
Deferred revenue	20,089,981	—
Due to other funds	4,396,289	—
Other	10,879,976	—
Deferred compensation payable	6,658,687	—
Revenue bonds payable	—	—
Notes payable	—	—
Capital leases payable	—	—
Total Liabilities	115,742,860	6,516,003
FUND BALANCES		
Cost of investment in facilities	—	—
Reserved for:		
Auxiliary enterprises	1,773,340	—
General university	5,713,738	—
Endowment and similar funds	—	—
Retirement of indebtedness	—	—
Unreserved-Undesignated	224,077	48,915,487
Total Fund Balances	7,711,155	48,915,487
Total Liabilities and Fund Balances	\$123,454,015	\$55,431,490

The accompanying notes are an integral part of the financial statements.

<u>Loan Funds</u>	<u>Plant Funds</u>	<u>Endowment and Similar Funds</u>	<u>Total</u>
\$ 2,321,038	\$ 54,744,003	\$ 1,463,793	\$ 112,145,986
—	82,249,173	89,644,825	186,077,088
35,889,588	23,577,571	147,880	152,323,473
—	1,065,528,234	—	1,065,528,234
—	112,638	—	8,793,385
352,000	3,202,680	88,000	13,338,762
<u>\$38,562,626</u>	<u>\$1,229,414,299</u>	<u>\$91,344,498</u>	<u>\$1,538,206,928</u>
\$ —	\$ 1,398,873	\$ —	\$ 81,632,803
—	—	—	20,089,981
—	4,050,919	346,177	8,793,385
—	7,591,411	496,127	18,967,514
—	—	—	6,658,687
—	128,885,000	—	128,885,000
—	4,482,307	—	4,482,307
—	12,891,069	—	12,891,069
—	159,299,579	842,304	282,400,746
—	945,572,090	—	945,572,090
—	—	—	1,773,340
31,564,501	31,345,219	—	68,623,458
5,146,248	9,149,221	90,502,194	104,797,663
—	9,043,085	—	9,043,085
1,851,877	75,005,105	—	125,996,546
<u>38,562,626</u>	<u>1,070,114,720</u>	<u>90,502,194</u>	<u>1,255,806,182</u>
<u>\$38,562,626</u>	<u>\$1,229,414,299</u>	<u>\$91,344,498</u>	<u>\$1,538,206,928</u>

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	CURRENT FUNDS	
	Unrestricted	Restricted
REVENUES AND OTHER ADDITIONS		
Student tuition and fees	\$122,427,999	\$ 714,000
State appropriations	344,772,102	—
Auxiliary enterprises	63,331,053	—
Patient service revenue	86,673,714	22,776,873
Governmental grants and contracts	3,982,161	74,662,639
Fringe benefits paid directly by the State of New Jersey	74,197,840	—
Private gifts, grants and contracts	903,857	24,604,242
Investment income	—	6,367,111
Realized gains on endowment investments	1,946,991	—
Interest on loans receivable	—	—
Expended for plant facilities	—	—
Retirement of indebtedness	—	—
Other	21,778,382	6,394,258
Total Revenues and Other Additions	720,014,099	135,519,123
EXPENDITURES AND OTHER DEDUCTIONS		
Educational and general:		
Instruction	250,462,478	7,004,074
Research	22,683,841	55,499,738
Public service	18,650,224	21,027,406
Academic support	23,742,469	1,790,394
Student services	29,261,637	5,775,200
Institutional support	22,421,037	6,222,463
Scholarships and fellowships	1,790,430	3,254,900
Operation and maintenance plant	76,917,624	1,000
Auxiliary enterprises	83,294,223	—
Noncapitalized expenditures for plant facilities	—	—
Loan cancellations, write-offs and refunds	—	—
Disposal of property, plant and equipment	—	558,248
Interest on indebtedness	—	—
Retirement of indebtedness	—	—
Indirect costs recovered	—	13,189,043
Other	136,797,835	3,857,674
Total Expenditures and Other Deductions	666,021,798	118,180,140
Net Revenues	53,992,301	17,338,983
HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN (OUT)		
Mandatory:		
Principal and interest	(10,823,165)	—
Loan funds matching grants	(95,391)	—
Other	(606,060)	(7,315,271)
Non-mandatory:		
Plant funds	(37,507,567)	(5,753,491)
Other	(3,123,446)	(1,427,001)
Total Higher Education and University Hospital Interfund Transfers	(52,155,629)	(14,495,781)
Net Increase (Decrease) in Fund Balances	1,836,672	2,843,192
FUND BALANCES—JULY 1, 1985	5,874,483	46,072,291
FUND BALANCES—JUNE 30, 1986	\$ 7,711,155	\$ 48,915,483

The accompanying notes are an integral part of the financial statements.

Loan Funds	Plant Funds	Endowment and Similar Funds	Total
\$ —	\$ 3,311,043	\$ —	\$ 126,453,042
—	14,728,547	—	359,500,649
—	—	—	63,331,053
—	—	—	109,450,587
972,837	2,458,000	—	82,075,637
—	—	—	74,197,840
77,562	11,667,549	3,087,901	40,341,111
565,398	11,009,550	1,035,988	18,978,047
—	33,261	6,673,134	8,653,386
174,823	—	—	174,823
—	58,708,715	—	58,708,715
—	2,084,371	—	2,084,371
70,544	130,331	129,576	28,503,091
1,861,164	104,131,367	10,926,599	972,452,352
—	—	—	257,466,552
—	—	—	78,183,579
—	—	—	39,677,630
—	—	—	25,532,863
—	—	—	35,036,837
28,000	—	—	28,671,500
—	—	—	5,045,330
—	—	—	76,918,624
—	845,000	—	84,139,223
—	52,014,160	—	52,014,160
88,178	—	—	88,178
—	3,793,718	—	4,351,966
—	9,343,080	—	9,343,080
—	2,084,371	—	2,084,371
—	—	—	13,189,043
518,317	6,000	616,473	141,796,299
634,495	68,086,329	616,473	853,539,235
1,226,669	36,045,038	10,310,126	118,913,117
—	10,823,165	—	—
95,391	—	—	—
—	—	—	(7,921,338)
—	43,733,948	—	472,882
158,685	2,165,664	1,753,224	(472,882)
254,076	56,722,777	1,753,224	(7,921,338)
1,480,745	92,767,815	12,063,350	110,991,779
37,081,881	977,346,905	78,438,844	1,144,814,403
\$38,562,626	\$1,070,114,720	\$90,502,194	\$1,255,806,182

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL—BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Actual	Adjustment to Budgetary Basis
REVENUES		
Taxes	\$5,730,443,915	\$ —
Federal and other grants	2,248,377,849	(37,727,668)
Licenses and fees	440,824,130	—
Services and assessments	648,954,570	1,947,583
Investment earnings	52,013,394	—
Other	66,548,912	(249,059)
Total Revenues	9,187,162,770	(36,029,144)
OTHER INCREASES		
Transfers from other funds	539,627,270	(169,587)
Other	31,544	57,363,040
Total Other Increases	539,658,814	57,193,453
Total Revenues and Other Increases	9,726,821,584	21,164,309
EXPENDITURES		
Public safety and criminal justice	661,151,429	18,695,502
Physical and mental health	1,527,504,936	8,800,605
Educational, cultural and intellectual development	2,577,729,243	26,405,531
Community development and environmental management	342,755,266	51,806,034
Economic planning, development and security	1,390,577,617	61,204,305
Transportation programs	621,341,320	(57,902,734)
Government direction, management and control	1,826,551,982	18,760,052
Special government services	80,608,242	597,814
Total Expenditures	9,028,220,035	128,367,109
OTHER DECREASES		
Transfers to other funds	440,166,782	(321,655)
Other	829,047	(829,047)
Total Other Decreases	440,995,829	(1,150,702)
Total Expenditures and Other Decreases	9,469,215,864	127,216,407
Net Increase (Decrease) in Fund Balances for the Year	\$ 257,605,720	\$(106,052,098)

The accompanying notes are an integral part of the financial statements.

Actual on Budgetary Basis	Budget	Variance- Favorable (Unfavorable)
\$5,730,443,915	\$ 5,409,785,758	\$ 320,658,157
2,210,650,181	2,343,935,532	(133,285,351)
440,824,130	391,731,904	49,092,226
650,902,153	632,665,137	18,237,016
52,013,394	30,216,312	21,797,082
66,299,853	158,561,396	(92,261,543)
9,151,133,626	8,966,896,039	184,237,587
539,457,683	506,999,937	32,457,746
57,394,584	57,394,584	—
596,852,267	564,394,521	32,457,746
9,747,985,893	9,531,290,560	216,695,333
679,846,931	790,752,891	110,905,960
1,536,305,541	1,575,043,614	38,738,073
2,604,134,774	2,743,883,026	139,748,252
394,561,300	728,789,913	334,228,613
1,451,781,922	1,498,147,241	46,365,319
563,438,586	640,181,988	76,743,402
1,845,312,034	1,991,618,223	146,306,189
81,206,056	91,966,911	10,760,855
9,156,587,144	10,060,383,807	903,796,663
439,845,127	439,845,127	—
439,845,127	439,845,127	—
9,596,432,271	10,500,228,934	903,796,663
\$ 151,553,622	\$ (968,938,374)	\$1,120,491,996

**STATE OF NEW JERSEY
PROPERTY TAX RELIEF FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL—BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>
REVENUES		
Taxes	\$ 2,052,256,067	\$ —
Total Revenues	<u>2,052,256,067</u>	<u>—</u>
OTHER INCREASES		
Transfers from other funds	336,350	—
Total Other Increases	<u>336,350</u>	<u>—</u>
Total Revenues and Other Increases	<u>2,052,592,417</u>	<u>—</u>
EXPENDITURES		
Educational, cultural and intellectual development	1,648,401,863	240,323
Government direction, management and control	419,597,222	3,132,661
Total Expenditures	<u>2,067,999,085</u>	<u>3,372,984</u>
OTHER DECREASES		
Total Other Decreases	<u>—</u>	<u>—</u>
Total Expenditures and Other Decreases	<u>2,067,999,085</u>	<u>3,372,984</u>
Net Increase (Decrease) in Fund Balances for the Year	<u>\$ (15,406,668)</u>	<u>\$(3,372,984)</u>

The accompanying notes are an integral part of the financial statements.

<u>Actual on Budgetary Basis</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 2,052,256,067	\$ 2,005,000,000	\$47,256,067
<u>2,052,256,067</u>	<u>2,005,000,000</u>	<u>47,256,067</u>
336,350	—	336,350
<u>336,350</u>	<u>—</u>	<u>336,350</u>
<u>2,052,592,417</u>	<u>2,005,000,000</u>	<u>47,592,417</u>
1,648,642,186	1,654,000,000	5,357,814
<u>422,729,883</u>	<u>428,155,000</u>	<u>5,425,117</u>
<u>2,071,372,069</u>	<u>2,082,155,000</u>	<u>10,782,931</u>
—	—	—
<u>2,071,372,069</u>	<u>2,082,155,000</u>	<u>10,782,931</u>
<u>\$ (18,779,652)</u>	<u>\$ (77,155,000)</u>	<u>\$58,375,348</u>

STATE OF NEW JERSEY
 GUBERNATORIAL ELECTIONS FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL—BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1986

	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>
REVENUES		
Other	\$ 1,678,987	\$ —
Total Revenues	<u>1,678,987</u>	<u>—</u>
EXPENDITURES		
Public safety and criminal justice	2,806,756	20,89
Total Expenditures	<u>2,806,756</u>	<u>20,89</u>
Net Increase (Decrease) in Fund Balances for the Year	<u><u>\$(1,127,769)</u></u>	<u><u>\$(20,89)</u></u>

The accompanying notes are an integral part of the financial statements.

Actual on Budgetary Basis	Budget	Variance- Favorable (Unfavorable)
<u>\$ 1,678,987</u>	<u>\$ 1,550,000</u>	<u>\$128,987</u>
<u>1,678,987</u>	<u>1,550,000</u>	<u>128,987</u>
<u>2,827,648</u>	<u>3,337,688</u>	<u>510,040</u>
<u>2,827,648</u>	<u>3,337,688</u>	<u>510,040</u>
<u><u>\$(1,148,661)</u></u>	<u><u>\$(1,787,688)</u></u>	<u><u>\$639,027</u></u>

STATE OF NEW JERSEY
CASINO CONTROL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL—BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1986

	Actual	Adjustment to Budgetary Basis
REVENUES		
Licenses and fees	\$ 34,745,448	\$ —
Total Revenues	34,745,448	—
OTHER INCREASES		
Transfers from other funds	321,655	—
Total Other Increases	321,655	—
Total Revenues and Other Increases	35,067,103	—
EXPENDITURES		
Public safety and criminal justice	25,904,698	485,117
Government direction, management and control	18,463,098	373,713
Total Expenditures	44,367,796	858,830
OTHER DECREASES		
Total Other Decreases	—	—
Total Expenditures and Other Decreases	44,367,796	858,830
Net Increase (Decrease) in Fund Balances for the Year	\$ (9,300,693)	\$(858,830)

The accompanying notes are an integral part of the financial statements.

Actual on Budgetary Basis	Budget	Variance- Favorable (Unfavorable)
\$ 34,745,448	\$47,929,000	\$(13,183,552)
34,745,448	47,929,000	(13,183,552)
321,655	—	321,655
321,655	—	321,655
35,067,103	47,929,000	(12,861,897)
26,389,815	28,555,000	2,165,185
18,836,811	19,374,000	537,189
45,226,626	47,929,000	2,702,374
—	—	—
45,226,626	47,929,000	2,702,374
\$(10,159,523)	\$ —	\$(10,159,523)

STATE OF NEW JERSEY
CASINO REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL—BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1986

	Actual	Adjustment to Budgetary Basis
REVENUES		
Taxes	\$176,707,149	\$ —
Investment earnings	8,922,537	—
Total Revenues	185,629,686	—
OTHER INCREASES		
Total Other Increases	—	—
Total Revenues and Other Increases	185,629,686	—
EXPENDITURES		
Physical and mental health	34,904,588	6,589,751
Economic planning, development and security	66,552,085	(501,025)
Transportation programs	3,255,965	8,202,035
Government direction, management and control	17,900,000	—
Total Expenditures	122,612,638	14,290,761
OTHER DECREASES		
Transfers to other funds	5,382,490	—
Total Other Decreases	5,382,490	—
Total Expenditures and Other Decreases	127,995,128	14,290,761
Net Increase (Decrease) in Fund Balances for the Year	\$ 57,634,558	\$(14,290,761)

The accompanying notes are an integral part of the financial statements.

<u>Actual on Budgetary Basis</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
\$176,707,149	\$ 172,000,000	\$ 4,707,149
8,922,537	4,000,000	4,922,537
<u>185,629,686</u>	<u>176,000,000</u>	<u>9,629,686</u>
<u>—</u>	<u>—</u>	<u>—</u>
<u>185,629,686</u>	<u>176,000,000</u>	<u>9,629,686</u>
41,494,339	65,808,594	24,314,255
66,051,060	75,993,406	9,942,346
11,458,000	11,458,000	—
<u>17,900,000</u>	<u>17,900,000</u>	<u>—</u>
<u>136,903,399</u>	<u>171,160,000</u>	<u>34,256,601</u>
<u>5,382,490</u>	<u>5,382,490</u>	<u>—</u>
<u>5,382,490</u>	<u>5,382,490</u>	<u>—</u>
<u>142,285,889</u>	<u>176,542,490</u>	<u>34,256,601</u>
<u>\$ 43,343,797</u>	<u>\$ (542,490)</u>	<u>\$43,886,287</u>

**STATE OF NEW JERSEY
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1—SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES**

(A) FUND ACCOUNTING

The Governmental Accounting Standards Board in its Statement 1 entitled *Authoritative Status of NCGA Pronouncements and AICPA Industry Audit Guide* continued in force the National Council on Governmental Accounting's (NCGA) Statement 1. NCGA Statement 1 defines a fund as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. These statements reflect financial reporting practices in accordance with that definition.

Basis of Preparation:

The accompanying financial statements include the fund and account groups of the State of New Jersey. In addition, the financial statements of various public benefit corporations, authorities, commissions and universities for which the State has oversight responsibility have been included as part of the State's financial reporting entity.

The financial statements have been prepared primarily from accounts and records maintained by the State Comptroller. The financial data for the various public benefit corporations, authorities, commissions and universities has been derived from reports prepared by those organizations based on independent accounting systems maintained by those organizations.

GOVERNMENTAL FUNDS

General Fund:

The General Fund is the fund into which all State revenues, not otherwise restricted by statute, are deposited and from which appropriations are made. The largest part of the total financial operations of the State is accounted for in the General Fund. Most revenues received from taxes and Federal sources and certain miscellaneous revenue items are recorded in the General Fund. The appropriations act enacted by the Legislature provides the basic framework for the operation of the General Fund.

Special Revenue Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Fund:

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Amounts provided by the General Fund are deposited with banks that serve as paying agents.

The accounts which comprise this Fund are established based upon the following bond acts:

- Beaches and Harbors (1977)
- Clean Waters (1976)
- Community Development (1982)
- Correctional Facilities Construction (1982)
- Emergency Flood Control (1978)
- Energy Conservation (1980)
- Farmland Preservation (1981)
- Higher Education Construction (1971)
- Highway Improvement (1930)
- Institutional Construction (1978)
- Institutions Construction (1976)
- Jobs, Science and Technology (1984)
- Medical Education Facilities (1977)
- Natural Resources (1980)
- New Jersey Bridge Rehabilitation and Improvement (1983)
- New Jersey Green Acres (1983)
- New Jersey Institutions Construction (1964)
- Public Building Construction (1968)
- Public Purpose Buildings Construction (1980)
- Refunding Bonds (1985)
- Shore Protection (1983)
- State Facilities for Handicapped (1973)
- State Higher Education (1959)
- State Higher Education Construction (1964)
- State Housing Assistance (1968)
- State Institution Construction (1960)
- State Land Acquisition and Development (1978)
- State Mortgage Assistance (1976)
- State Recreation and Conservation Land Acquisition (1961)
- State Recreation and Conservation Land Acquisition (1971)
- State Recreation and Conservation Land Acquisition and Development (1974)
- State Transportation (1968)
- Transportation Rehabilitation and Improvement (1979)
- Water Conservation (1969)
- Water Development (1958)
- Water Supply (1981)

Capital Projects Funds:

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities for State use. Funds granted to other units of government for facilities

are not classified as Capital Projects Funds and are included as expenditures of Special Revenue Funds. The State Land Acquisition and Development Fund, State Recreation and Conservation Land Acquisition Fund (1971), and State Recreation and Conservation Land Acquisition and Development Fund (1974) which have been classified as Special Revenue Funds, and the Transportation Rehabilitation and Improvement Fund, which is classified as a Capital Projects Fund, include funds both for capital facilities for State use and for grants to other units of government.

FIDUCIARY FUNDS

Trust and Agency Funds:

Trust and Agency Funds are used to account for assets held by the State in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Expendable Trust, Nonexpendable Trust, Pension Trust, and Agency Funds. Nonexpendable Trust and Pension Trust Funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

General Long-Term Obligations Account Group:

The General Long-Term Obligations Account Group accounts for the unmatured general long-term liabilities of the State.

There are four types of public purpose capital financings through borrowing which are done by the State of New Jersey or which the State supports through annual appropriations: (1) full faith and credit or direct debt; (2) authority financing; (3) lease agreements; (4) state-aid for local educational financings.

This account group sets forth the amounts which are supported by the State's full faith and credit (item 1 and 3 above) and do not include borrowing by authorities or local financing (item 2 and 4 above). Borrowing by authorities and universities is described in Note 20.

The General Long-Term Obligations Account Group includes the liabilities for future payments under capital lease agreements.

Enterprise Funds:

Enterprise Funds account for operations where the intent of the State is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where periodic measurement of the results of operations is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Enterprise Funds include the accounts of public benefit corporations, public authorities, private not-for-profit corporations and similar en-

tities. The accompanying financial statements are derived from their most recently issued annual financial statements. The inclusion of these entities in the State's combined financial statements reflects the oversight role exercised by the State over them, but does not affect their separate legal standing. Oversight is defined to include criteria such as appointment of the board, designation of management, scope of public service and the ability to significantly influence operations.

Additional information, including an explanation of the entities included and their bases of accounting, is provided in Note 20.

University Funds:

The University Funds account for the operations of Rutgers, the State University and the University of Medicine and Dentistry of New Jersey and New Jersey Institute of Technology including their foundations and associations, in accordance with existing authoritative accounting and reporting principles applicable to universities and hospitals. Accordingly, the University Fund type is an aggregation of the following funds:

Current

Current funds account for economic resources of the institution which are expendable for any purpose in performing the primary objectives of the institution and which have not been designated by the governing body for any other purpose. Resources restricted for specific current operating purposes by a donor or other external agency are accounted for as restricted current funds.

Loan

Loan funds account for resources available for loans to students, staff and faculty.

Endowment and Similar

Endowment and similar funds are related to trust funds in that they must be administered in accordance with the terms of the applicable agreement.

Plant

Plant funds consist of resources available to acquire or repair institutional properties, to service debt incurred to acquire such properties and the cost of fixed assets and the sources from which the cost is funded, including associated liabilities.

Agency

Agency funds consist of funds held by the institution acting in the capacity of an agent, for distribution to designated beneficiaries.

Foundations

Foundations and associations have been established to promote and serve the interests and welfare of their respective universities.

The accompanying financial statements are derived from the universities' most recently issued annual financial statements. Additional information including an explanation of the universities included and their bases of accounting is provided in Note 20.

(B) BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied.

The General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Expendable Trust Funds, and Agency Funds are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become susceptible to accrual—that is, when they become both measurable and available to finance expenditures of the fiscal period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Those revenues which are considered to be susceptible to accrual include amounts received by the Treasury during the month of July that were earned as of June 30 and in the hands of receiving agents. In addition, accruals include amounts earned as of June 30 for Investment earnings, Federal Revenues, and items billed as of June 30 but received subsequent to July 31.

Pension and non-expendable Trust Funds are accounted for on an accrual basis of accounting.

Revenues that are determined not to be susceptible to accrual because they either are not available soon enough to pay liabilities of the current period or are not objectively measurable include various fees and self-assessed taxes.

Refunds of revenue applicable to June 30 but anticipated to be paid subsequently are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Appropriations are authorized by an act of the Legislature for expenditure during the fiscal year and for a period of one month thereafter. Expenditures are recorded on an accrual basis when the related liability is incurred. Modifications to the accrual basis of accounting include:

- (a) Disbursements for prepaid expenses, inventory items, and fixed assets are recorded as expenditures when incurred.
- (b) Accumulated unpaid vacation and sick pay are not accrued. (See Note 12).

Expenditures for principal and interest on general

obligation long-term debt are recognized as expenditures when due.

Encumbrances represented by purchase orders and contracts are recorded and reported as reservations of fund balance since they do not constitute expenditures or liabilities.

The General Long-Term Obligations Account Group is not a fund. An account group is concerned only with the measurement of financial position and does not involve measurement of results of operations.

(1) GENERAL OBLIGATION BONDS

At the time of sale of general obligation serial bonds by the State, as authorized by the approved bond act, the principal amount of each series sold is recorded in an account of the General Long-Term Obligations Account Group. The recording of the long-term liability is offset with an increase to the "amount to be provided" account.

Upon enactment of the State's annual appropriations for amounts of principal to be paid to bondholders during that fiscal year, such amounts of principal as appropriated reduce both the amount to be provided and the general obligation bond payable accounts.

(2) LEASE COMMITMENTS

Obligations for future lease commitments due beyond one year from the balance sheet date are recorded at the present value of future minimum lease payments under capitalized realty and equipment lease agreements. The recording of the long-term liability is offset with an increase in the "amount to be provided" account.

(C) REVENUE AND EXPENDITURE BUDGETS

1. The General Fund and those Special Revenue Funds detailed in the following table operate under a budgetary control system comprised of:
 - (a) The Annual Appropriations Act approved June 30, 1985 for fiscal year 1986 and various supplemental appropriations acts during the fiscal year.
 - (b) Reappropriations (authorized by the Annual Appropriations Act) of prior year funds which are available for expenditure in the current year.
 - (c) Appropriated Revenues (authorized by the Annual Appropriations Act) which established certain revenues as appropriations.

The above items provided the following amounts for the fiscal year 1986 budget:

Revenue and Other Increases (In Millions)

	General Fund	Casino Control Fund	Casino Revenue Fund	Gubernatorial Elections Fund	Property Tax Relief Fund
Annual Appropriations Act	\$ 6,142.1	\$47.9	\$176.0	\$ 1.6	\$2,005.0
Reappropriations	42.3	—	—	—	—
Appropriated Revenue	3,346.9	—	—	—	—
Totals	<u>\$ 9,531.3</u>	<u>\$47.9</u>	<u>\$176.0</u>	<u>\$ 1.6</u>	<u>\$2,005.0</u>

Expenditures and Other Decreases (In Millions)

	General Fund	Casino Control Fund	Casino Revenue Fund	Gubernatorial Elections Fund	Property Tax Relief Fund
Annual Appropriations Act	\$ 6,701.3	\$47.9	\$176.6	\$ 3.3	\$2,082.2
Reappropriations	452.0	—	—	—	—
Appropriated Revenue	3,346.9	—	—	—	—
Totals	<u>\$10,500.2</u>	<u>\$47.9</u>	<u>\$176.6</u>	<u>\$ 3.3</u>	<u>\$2,082.2</u>

Budgetary control is maintained at the program unit level.

The accompanying Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual—Budgetary Basis presents comparisons of the legally adopted budget with actual data on a budgetary basis.

The State's budgetary basis of accounting differs from that utilized to present financial statements in conformance with generally accepted accounting principles (GAAP). The main differences between the budgetary basis and the GAAP basis are that under the budgetary basis encumbrances are recognized as expenditures, the Federal revenue related to such encumbrances is also recognized, and the budgetary basis reflects transactions only for the current fiscal year.

There were no expenditures in excess of appropriations for those funds operating under an annual budgetary control system.

2. Other Special Revenue Funds, Capital Projects Funds, and Trust Funds do not operate under an annual budgetary control system, but expenditures are authorized by the enabling legislation. Accordingly, the Statement of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual—Budgetary Basis does not include these funds.
3. The State Lottery operates under an informal budgetary control system approved by the New Jersey State Lottery Commission which for fiscal year 1986 resulted in the Governor's revenue certification of \$400.0 million representing transfers from the State Lottery Fund to the General Fund.

(D) FIXED ASSETS

The State owns extensive fixed assets consisting of: (1) land, (2) office buildings, hospitals, educational facilities, etc., and (3) equipment used in construction, data processing, hospitals, offices, etc. Fixed assets, including public domain general fixed assets ("infrastructure"), are recorded as expenditures at the time of acquisition and are not included as assets of any of the funds. The State does not currently maintain a centralized system accounting for fixed assets and therefore an estimate of the total value for fixed assets is not readily available.

(E) FUND BALANCES

The Fund balance of the various funds consists of:

- (a) **Reserved for encumbrances**—used to segregate a portion of fund balance to provide for expenditure upon vendor performance of purchase agreements.
- (b) **Reserved—Other**—used to earmark a portion of the fund balance to indicate it is either a resource currently unavailable for appropriation or expenditure, or a statutory restriction on current fund balance.
- (c) **Unreserved-Designated for continuing appropriations**—used to represent that portion of the fund balance available to finance expenditures of the subsequent period.
- (d) **Unreserved-Undesignated**—used to represent that portion of the fund balance resources available for appropriation.

(F) OTHER

(1) CONSTITUTIONAL PROVISIONS

The State Constitution provides that the Legislature may not create a debt (where total outstanding debt would exceed one percent of total appropriations for the year) unless such law shall have been submitted to the people at a general election and approved by a majority of the legally qualified voters.

(2) FINANCIAL REPORTING

Agency Funds—Change in Assets and Liabilities
Agency Funds are custodial in nature and do not involve measurement of operations; accordingly, there is no Statement of Revenues, Expenditures and Changes in Fund Balances.

(3) OPERATING TRANSFERS

During the course of normal operations the State has numerous routine transactions between funds, including expenditures and transfers of resources to provide administrative services, program services, and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. Operating transfers represent legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended and do not represent reimbursements of expenses.

(4) HEALTH BENEFIT FUNDS

The accompanying financial statements include the following health benefit funds:

Health Benefits Program Fund established by N.J.S.A. 52:14-17.25 et seq. provides employer paid basic health services.

Dental Expense Program Fund established by N.J.S.A. 52:14-17.29 provides for eligible members to contribute premiums calculated to meet half the cost of the plan.

The Prescription Drug Program Fund established by N.J.S.A. 52:14-17.29 provides employer paid coverage for drugs prescribed by a physician for all State employees.

These funds are classified as expendable trust funds and are accounted for using a modified accrual basis of accounting. The funds are self insured programs administered by insurance carriers. Claims paid by the insurance carriers are reimbursed from the funds. Fund balances in each of these funds are available to pay claims of future periods. These balances are maintained to stabilize rates and assure the ability to meet unexpected increases in claims. Each year actuarial studies are conducted to review present rate structure

as compared to projections of anticipated claims and expenses in order to determine the need for rate and premium changes.

A complete description of the plan agreements vesting and benefit provisions can be found in various Employee Benefit Pamphlets published by the New Jersey Division of Pensions.

(5) OTHER

The financial statements of the Client Security Fund and the Office of Attorney Ethics are as of December 31, 1985. These funds are administered by state officials within the Judicial Branch of the State Government. Other significant accounting policies are described in Notes 2 to 21.

NOTE 2—CHANGES IN ACCOUNTING POLICY

(A) DEFERRED COMPENSATION

Amounts contributed by participants to the New Jersey State Employees' Deferred Compensation Plan plus any investment earnings and appreciation in asset values, less distributions and administrative charges were previously recorded in the General Long-Term Obligations Account Group. In order to comply more closely with generally accepted accounting principles, an agency fund has been established to record the activity of the plan.

To reflect this change in accounting policy, the June 30, 1985 balance outstanding on the Statement of Changes in General Long-Term Obligations has been reduced by \$29,756,889. The effect of this change in accounting policy on the outstanding balance at June 30, 1985 is as follows:

Reported balance June 30, 1985	\$2,949,424,103
DEDUCT: Deferred Compensation	29,756,889
Corrected balance June 30, 1985	<u>\$2,919,667,214</u>

(B) FUND RECLASSIFICATIONS

The Special Revenue or Trust Funds, listed below have been reclassified as Agency Funds as they are custodial in nature and do not involve measurement of results of operations. Investment earnings previously recorded in the Cash Management Fund are now reported in the various individual funds.

Luxury Tax Fund
Luxury Tax Development Fund
Resource Recovery Investment Tax Fund
Solid Waste Services Tax Fund
State of New Jersey Cash Management Fund

(C) OTHER CHANGES

State Pensions and other benefit funds which were previously not reported upon, have been included in the financial statements for the year ended June 30, 1986.

NOTE 3—RESTATEMENTS

The beginning fund balances of the Housing Assistance Fund and Mortgage Assistance Fund have been restated from \$10.2 million to \$12.5 million and \$11.9 to \$21.7 million, respectively to adjust for prior years' mortgages previously unrecorded.

NOTE 4—CASH

- (a) Negative book balances of \$249.3 million representing a managed overdraft have been reclassified and are included in the accounts payable balance as follows:

Funds	Amount (In Millions)
General Fund	\$195.5
Special Revenue Funds	3.8
Capital Projects Funds	.7
Trust and Agency Funds	49.3
Total	<u>\$249.3</u>

- (b) Cash transactions of the Casino Control, Casino Revenue, Gubernatorial Elections, Special Transportation and Property Tax Relief Funds are made through and by the General Fund cash accounts. The balances of cash for these funds held in the General Fund, after receipt and disbursement transactions, are accounted for and reflected in the respective Due from or Due to accounts on the Balance Sheets. All other funds maintain individual bank accounts.

- (c) In the Debt Service Fund, principal and interest amounts charged by the fiscal agent for which cancelled documents may not have been delivered to the State are recognized as reductions of cash and the related liability.

NOTE 5—INVESTMENTS

All securities purchased are recorded at cost and amortized for premium or discount. Securities received as donations and from settlement of claims are recorded at market value when received, and any difference between that and the par value is amortized. At June 30, 1986 the book value approximates market value. Investments of Common Pension Fund A and Common Pension Fund B totalling \$10.2 billion are recorded at cost. The market value of these investments at June 30, 1986 is \$13.4 billion.

In addition to the amounts invested directly, most of the funds included herein participate in the State of New Jersey Cash Management Fund wherein amounts also contributed by other units of government, are combined into a large scale investment program. The State's participation in the Cash Management Fund is reflected as part of Due from other funds in the Balance Sheet and consists of the following:

Funds	Amount Invested (In Millions)
General Fund	\$1,506.4
Special Revenue Funds ¹	350.6
Capital Projects Funds ¹	182.6
Trust and Agency Funds	1,354.5
Total	<u>\$3,394.1</u>

The value of the Cash Management Fund at the balance sheet date approximates market value.

Approximately \$200.0 million of investments represents deposit fund contracts for future installment payments of lottery prizes due beyond one year from the balance sheet date. Lottery prizes are funded by the purchase of deposit fund contracts which, when matured, will provide amounts sufficient for future payment of installment prizes. Purchases of deposit fund contracts are recorded as an expenditure in the State Lottery Fund in the year of purchase. An agency fund has been established to record the deposit fund contracts and related liabilities at present value. In the event of default in making future payments by the insurance company from which the contracts were purchased, the State Lottery Commission would be liable for such future payments. Face value of deposit fund contracts approximates \$444.3 million.

NOTE 6—RECEIVABLES

Departmental

Departmental accounts receivable include amounts which were substantially collected within the one month period subsequent to June 30 and include most major tax revenues. Amounts included in these receivables but not collected within the one month period subsequent to June 30 are deemed to be collectible, and therefore no allowance for doubtful accounts is necessary.

In addition, the Departmental accounts receivables are reflected net of allowances of \$118.5 million for the following items:

¹The Casino Control, Casino Revenue, Gubernatorial Elections, Special Transportation and Property Tax Relief Funds do not maintain separate investment accounts. Since cash transactions are handled by and through the General Fund as described in Note 3, any available cash balances for these funds reside in the General Fund and are combined with other balances for either participation in the State of New Jersey Cash Management Fund or direct investment as part of the General Fund large scale investment program. Except for the Casino Revenue Fund and the Casino Control Fund, investment earnings for these funds accrue to the General Fund.

	Amount (In Millions)
General Fund:	
Class II Railroad Taxes and Interest Receivable	\$ 22.8
Railroad Franchise Taxes Receivable	8.9
Patient Accounts Receivable	1.4
Special Revenue Funds:	
Casino Control Fund—Fees	.8
Trust Funds:	
Unemployment Compensation Contributions Receivable	69.6
State Disability Benefits Contributions Receivable	15.0
Total	<u><u>\$118.5</u></u>

Federal

Federal government receivables are composed of amounts established as appropriations based upon

grant awards, the expenditure of which is the basis for reimbursement. Since all amounts due from the Federal government are considered to be collectible, no allowance has been established for doubtful collections. Also see Note 19—Federal Programs.

These Federal receivables are reported in conformance with generally accepted accounting principles as defined in *Statement 2—Grant, Entitlement and Shared Revenue Accounting and Reporting by State and Local Governments* published by the National Council on Governmental Accounting. Inasmuch as encumbrances do not constitute expenditures, and since recognition of grants and entitlements as revenue is primarily based on expenditures, there is an additional \$375.5 million of Federal government awards consisting of encumbrances and appropriation balances which are considered unearned and unrecorded as of June 30, 1986. In addition, at June 30, 1986 there was \$57.4 million of unrecorded transportation apportionments deferred to future years.

Loans and Other

	(In Millions)				
Fund	Loans	Other	Gross	Allowance	Net
General Fund	\$ 1.5	\$ 64.0	\$ 65.5	\$ 64.0	\$ 1.5
Special Revenue Funds	85.7	115.2	200.9	92.4	108.5
Capital Projects Funds	—	1.4	1.4	—	1.4
Trust and Agency Funds	348.6	669.4	1,018.0	73.7	944.3
Total	<u><u>\$435.8</u></u>	<u><u>\$850.0</u></u>	<u><u>\$1,285.8</u></u>	<u><u>\$230.1</u></u>	<u><u>\$1,055.7</u></u>

Loans receivable (\$435.8 million) are reduced by allowances of \$13.0 million and include \$33.1 million due from the New Jersey Housing and Mortgage Finance Authority, \$10.8 million due the Luxury Tax Fund from the Atlantic County Improvement Authority for housing projects, \$45.3 million due from local units of government for environmental projects, \$9.9 million representing Higher Education Assistance Fund loans to students, and \$326.5 representing loans from respective pension funds to participating members of the pension funds.

Other Receivables totaling \$850.0 million are reduced by allowances of \$217.1 million and include amounts due from lottery ticket sales (\$24.5 million), assessments to insurance companies (\$6.9 million), and accrued interest and dividends on investments (\$222.5 million), and contributions due from employees and members to the respective pension funds (\$304.7 million).

NOTE 7—INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables (\$14.4 billion) are referred to respectively as Due from other funds

and Due to other funds on the Balance Sheet. A summary of interfund receivables and payables at June 30, 1986 is presented below:

Due From	Due To (In Millions)					Total
	General Fund	Special Revenue Funds	Capital Projects Funds	Trust and Agency Funds	University Funds	
General Fund	\$ —	\$154.9	\$.2	\$ 31.0	\$ —	\$ 186.1
Special Revenue Funds	118.2	—	—	—	—	118.2
Capital Projects Funds	58.6	—	3.1	—	—	61.7
Trust and Agency Funds	1,548.1	353.3	182.6	11,937.2	—	14,021.2
University Funds	—	—	—	—	8.8	8.8
Total	<u>\$1,724.9</u>	<u>\$508.2</u>	<u>\$185.9</u>	<u>\$11,968.2</u>	<u>\$8.8</u>	<u>\$14,396.0</u>

NOTE 8—ACCOUNTS PAYABLE

Accounts payable consist primarily of amounts due for goods or services received by the State prior to June 30, 1986 and aid payments to eligible recipients. Other major items include negative cash book balances of \$249.3 million (See Note 4), amounts due to lottery prize winners of \$200.0 million, pension benefits payable of \$61.7 million and health benefits payable to providers of \$91.9 million as determined by the Fund's actuary.

NOTE 9—DEFERRED REVENUE

Deferred revenue represents amounts received but not earned as of June 30. These amounts will be earned in subsequent fiscal years.

Deferred revenue at June 30, 1986 in the General Fund (\$43.0 million) consists principally of motor vehicle licenses and registrations, professional board licenses and fees, and college tuitions and fees. The amount at June 30, 1986 also includes approximately \$4.9 million representing Business Dissolution Tax pending tax clearance certificates and \$6.5 million of receipts for Truck Axle Taxes collected but subject to possible refund.

NOTE 10—ADVANCES FROM OTHER FUNDS

Advances from other funds consists of \$4.0 million advanced from the Unsatisfied Claim and Judgment Fund to the General Fund in accordance with Chapter 125, P.L. 1983.

In addition, \$.7 million represents an advance from the General Fund to the Worker and Community Right To Know Fund to implement the provisions of the act

creating this fund. \$.28 represents an advance from the General Fund to the Hazardous Discharge Site Clean Up Fund. \$.9 million represents an advance from the General Fund to the Deferred Compensation Fund.

NOTE 11—OTHER LIABILITIES

Other liabilities at June 30, 1986 include the following items:

Deposits and accumulated earnings on investments (\$1.1 billion) due to local units of government and school districts from the State of New Jersey Cash Management Fund. In the General Fund, \$59.2 million of other liabilities consists principally of revenue refunds payable. In the Pension Adjustment Fund, \$34.6 million represents amounts due to retirees for cost of living increases.

NOTE 12—ACCUMULATED UNPAID SICK AND VACATION BENEFITS

Cash payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on 50% of the employee's sick leave accumulation, at the pay rate in effect at the time of retirement up to a maximum of \$12,000. Employees separating from State service prior to retirement are not entitled to payments for accumulated sick leave balances. At June 30, 1986 accumulated employee sick leave balances had an estimated value of \$286.7 million. Cash payments for sick leave at retirement are made from annual legislative appropriations for salaries and wages on a "pay-as-you-go" basis. Payments for accumulated sick leave during fiscal year 1986 amounted to \$3.7 million. Sick leave accumula-

tions may also be used by an employee for a personal illness or injury as a means of continuing regular pay during illness or injury. Because future cash payments for unused sick leave and unpaid vacation benefits can not be reasonably determined, no amount has been included in the General Long-Term Obligations Account Group.

NOTE 13—GENERAL LONG-TERM DEBT

The general long-term debt outstanding as of June 30, 1986 is \$2,479,055,000, which is secured by the full faith and credit of the State (the General Fund). Amount to be provided for retirement of general obligation bonds on the balance sheet represents appropriations to be provided in the future from the General Fund for principal payments.

Outstanding long-term debt as of June 30, 1985 was \$2,435,760,000. During Fiscal Year 1986 the State issued \$180,000,000 in bonds.

On August 15, 1986 the State issued \$113,500,000 principal amount of general obligation bonds maturing serially through 2007 at interest rates of 6.50% and 6.60%.

The amount provided by the General Fund to the Debt Service Fund for interest and principal payments for the fiscal year ended June 30, 1986 was \$295,832,584. This is reflected in the Statement of Revenues, Expenditures and Changes in Fund Balances as a Transfer to other funds in the General Fund and a Transfer from other funds in the Debt Service Fund.

A summary of debt service requirements on bonds outstanding as of June 30, 1986 to maturity is as follows:

Fiscal Year	Interest	Principal
1987	\$ 165,870,589	\$ 154,840,000
1988	155,731,139	164,110,000
1989	145,261,015	162,681,000
1990	134,789,453	160,571,000
1991	124,410,974	157,030,000
1992-1996	469,709,317	738,280,000
1997-2001	234,765,610	622,905,000
2002-2006	58,227,757	302,472,000
2007-2008	1,123,652	16,166,000
	<u>\$1,489,889,506</u>	<u>\$2,479,055,000</u>

During the 1985 fiscal year, the State, pursuant to the Refunding Bond Act of 1985, provided for the advance refunding of several series of State of New Jersey General Obligation Bonds. These bonds were originally sold as two issues, each in the aggregate principal amount of \$150,000,000 and originally dated November 15, 1981 and May 1, 1982, respectively.

The State has refunded the original bonds in order to reduce its general obligation debt service liability. Because interest rates were considerably higher at the

time the original bonds were sold, the State was able to realize substantial savings from refunding the original bonds with the proceeds from the Refunding Bonds. Present value savings realized from the refunding, computed in accordance with terms of the Refunding Bond Act, amounted to \$15,643,289.

Under the terms of the Refunding Bond issue, sufficient assets to pay all principal and interest on the refunded issues have been put into a special escrow account at a commercial bank. The financial transactions, assets, and liabilities of this special escrow agent account are not reflected in the financial statements of the State.

On October 1, 1986 the State sold a second series of refunding bonds totalling \$198,235,000. These bonds were issued for the purpose of refinancing certain maturities of several series of State of New Jersey General Obligation Bonds which were originally sold as two issues, one in the aggregate principal amount of \$150,000,000 and originally dated December 1, 1982 and the other in the aggregate principal amount of \$145,000,000 and originally dated October 1, 1984.

In addition, the State (the General Fund) has guaranteed the principal and interest payments on certain bonds issued by the New Jersey Sports and Exposition Authority. The amount outstanding on these bonds as of December 31, 1985, is \$175,450,000. The State's liability is contingent upon the Authority's inability to meet such debt service requirements through derived revenues. The State believes that the revenue of the Authority will be sufficient to provide for the payment of debt service on these obligations without recourse to the State's guarantee.

The State may be required to provide appropriations to meet any annual deficiencies in debt service for the South Jersey Port Corporation and the New Jersey Housing and Mortgage Finance Agency. However, the Legislature is not legally bound to make such appropriations for these "moral obligation" bonds.

The New Jersey Housing and Mortgage Finance Agency has not had a deficiency in a debt service reserve which required the State to appropriate funds.

The State provides the South Jersey Port Corporation with funds to cover all debt service and property tax requirements when the Corporation's earned revenues are anticipated to be insufficient to cover these obligations. In December 1985, the Corporation certified that it would be able to provide sufficient funds from operations for debt service and would, therefore, not require a State appropriation for 1987.

In addition, legislation provides for future appropriations for state aid to local school districts equal to debt service on a maximum principal amount of \$280,000,000 of bonds issued by such local school districts for construction and renovation of school facilities. New Jersey statutes also provide for state aid to

counties equal to debt service up to \$80,000,000 of bonds issued by counties for construction of county college facilities. The Legislature is not legally bound to make such future appropriations, but has done so to date on all outstanding obligations issued under these laws.

NOTE 14—LEASE COMMITMENTS

(A) REALTY LEASES

The State has entered into various realty lease agreements which have been identified as capital leases. The following is a schedule of the future minimum lease payments under the capitalized leases together with the present value of the net minimum lease payments as of June 30, 1986.

<u>Fiscal Year</u>	<u>Amount (In Millions)</u>
1987	\$ 50.6
1988	50.0
1989	49.3
1990	48.1
1991	47.7
Total minimum lease payments—1987-1991	245.7
LESS: Amount representing interest	189.9
Present value of principal payments—1987-1991	55.8
Principal payments—1992 and after	420.8
Total present value of minimum lease payments	<u>\$476.6</u>

Included in the above lease commitments are the following agreements considered to be significant:

- (1) A lease agreement with the Mercer County Improvement Authority whereby the Authority has issued its obligations to finance the cost of construction of the State Justice Complex. Under the lease agreement, the State has agreed to pay the Authority an annual rental equal to the debt service on the outstanding bonds, plus payments due in lieu of real estate taxes.

The lease term coincides with the amortization of bonds whereby the last payment is made in January 2018. Upon expiration of the lease, the Authority agrees to convey title to the Justice Complex to the State for a nominal sum. The present value of lease obligations for this building, which is subject to yearly appropriations by the State Legislature, amounted to approximately \$102.7 million as of June 30, 1986.

- (2) A lease agreement with the New Jersey Building Authority for the construction and rental of four office facilities and a pest control laboratory. Pursuant to a lease and agreement between the

State and the Authority, the State will make lease rental payments at times and in amounts sufficient to pay debt service on Authority bonds, and certain administrative expenses of the Authority. The State's obligation to make lease rental payments and any other obligation of the State under the lease are subject to and dependent upon appropriations being made by the State Legislature for such purposes.

At any time prior to the expiration of the lease term, the State shall have the option to purchase the project for a nominal sum plus an amount sufficient to provide for full payment of the bonds in conformity with the bond resolution. If such option has not been exercised prior to the end of the lease term, the title to the project will be transferred by the Authority to the State.

At June 30, 1986 the pest control laboratory was completed and occupied. Two other buildings, Department of Environmental Protection and Department of Transportation, were substantially completed, with occupancy phase-in starting in the first months of fiscal year 1987. The remaining two buildings, Department of Commerce and General Office Building, are scheduled for completion later in fiscal year 1987.

- (3) Various lease agreements with the New Jersey Educational Facilities Authority whereby the Authority has issued its obligations to support the construction of educational facilities for public institutions of higher education in the State of New Jersey. It is the intention of the Authority to transfer title in the assets to the State at the expiration of the leases. Present value of the lease obligations for these facilities amounted to approximately \$191.9 million as of June 30, 1986.

- (4) The State has entered into a lease agreement with Mercer County Improvement Authority whereby the Authority would issue its obligations to finance the cost of purchasing and leasing certain property to the State for use as a tax processing building.

Under the lease agreement, the State has agreed to pay the Authority an annual rental equal to the debt service on the outstanding bonds, plus payments due in lieu of real estate taxes. The lease term coincides with the amortization of the bonds, whereby the last payment is made in 1993. Total lease obligation for this building, which is subject to yearly appropriations by the State Legislature, amounted to approximately \$1.6 million as of June 30, 1986. A substantial amount of the annual \$266,000 lease payment is charged to the Property Tax Relief Fund.

(B) OTHER LEASES

In addition to realty leases, the State is actively involved in lease agreements for various types of equipment, e.g., data processing, photocopying, typewriters, vehicles, highway construction equipment, helicopters, etc.

Future obligations for identified equipment capital leases are presented below:

<u>Fiscal Year</u>	<u>Amount (In Millions)</u>
1987	\$ 8.41
1988	6.46
1989	2.63
1990	—
Thereafter	—
Total minimum lease payments	17.50
LESS: Amounts representing interest	1.28
Present value of minimum lease payments	<u>\$16.22</u>

A significant portion of the above figures represents assets which were purchased or refinanced through the sale of certificates of participation. These transactions are described below:

The State has entered into a series of master lease agreements with a trustee for the rental and purchase of equipment financed or refinanced by a trustee from the sale of certificates of participation. The State is required to make aggregate lease payments on the equipment that approximate the interest and principal payments to be made by the trustee to certified holders.

The initial lease agreement was effective April 1, 1984 and covered specific items of equipment refinanced or to be acquired by the trustee in fiscal year 1985. The amount to be paid by the State over the terms of the leases approximates \$44.9 million, consisting of \$36,975,000 in principal and \$7,884,726 in interest.

A second sale of certificates of participation was conducted on February 15, 1985. The total amount to be paid by the State for that issue amounted to \$41.7 million; \$32,410,000 of which represents principal payments and \$9,249,112 of which represents interest. Acquisitions utilizing the proceeds of this second issue of certificates were conducted during fiscal year 1986 and the remainder will be spent during fiscal year 1987.

On April 15, 1986 a third sale of certificates of participation was conducted. The State is to pay a total of \$203.4 million, \$143,955,000 rep-

resenting principal and \$59,463,312 representing interest. Acquisitions utilizing the proceeds of this issue are expected to be made beginning in fiscal year 1987.

NOTE 15—PENSIONS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems:

Consolidated Police and Firemen's Pension Fund (CPFPF)—established in January 1952 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944. The fund is a closed system with 6 active members.

Judicial Retirement System (JRS)—established in January 1956 to provide coverage to all members of the State judiciary system.

Police and Firemen's Retirement System (PFRS)—established in June 1944 to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after July 1, 1944.

Prison Officers Pension Fund (POPF)—established in January of 1941 to provide coverage to various employees in the state penal institutions who were appointed prior to January 1, 1960. The System was closed as of January 1960. Employees hired after January 1960 became members of PERS. This fund is not actuarially reserved as the State funds on a "pay as you go" basis.

Public Employees Retirement System (PERS)—established in January 1956 to provide coverage to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another state-administered retirement system.

State Police Retirement System (SPRS)—established in July 1965 to provide coverage to all uniformed officers and troopers in the State Police in the State.

Teacher's Pension and Annuity Fund (TPAF)—established in January 1956 to provide coverage to substantially all full time public school teachers in the State.

In addition to the above retirements systems, the State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of several state-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The State also administers the Central Pension Fund (CPF) which is a non-contributory defined benefit plan for special groups not included in other state-administered systems. The fund is not actuarially reserved nor does the state receive actuarial valuations for this system. The state funds the plan on a "pay as you go" basis.

The State also administers the Pension Adjustment Program which provides cost of living increases, equal to 60% of the change in the average consumer price index to eligible retirants in all state-sponsored pension systems. The cost of living increases are payable from the State of New Jersey Pension Adjustment Fund which is funded on a "pay as you go" basis.

The Systems have elected to report in conformity with National Council on Governmental Accounting (NCGA) Statement No. 1 which represents an acceptable reporting alternative under generally accepted accounting principles (GAAP) for retirement systems along with Financial Accounting Standards Board (FASB) Statement No. 35 and NCGA Statement No. 6. The effective dates of the aforementioned statements were deferred indefinitely to allow the GASB to formulate GAAP for public employee retirement systems.

The Systems provide for employee contributions based on percentages ranging from 3% to 10.62% of employees' annual compensation. Funding by state and state-related employers are based upon annual actuarially determined percentages of total compensation of all active members. The amount is determined annually that is necessary to provide the Systems with assets sufficient to meet benefit payments. For the year ended June 30, 1986, normal contribution rates for state and state-related employers ranged, from 8.6% to 33.57% and 7.39% to 14.94% respectively of active payroll. The State appropriation for the June 30, 1986 fiscal year paid July 1, 1985, is based on 1984 actuarial

valuations and the state related employer contributions are payable June 30, 1986 based on the most recent 1985 actuarial valuations. The State's contribution totaled \$460,345,100 and \$427,743,600 for the years ended June 30, 1986 and June 30, 1985, respectively. The State's annual contribution approximates the actuarially determined pension cost for the year, including amortization of prior service cost over 6 to 28 years. The Systems use the "projected benefit method" with aggregate normal cost and frozen initial unfunded accrued liability. Under this method, employers are required to make a normal cost contribution and an accrued liability contribution to fund retirement benefits accrued by members with credited past service to be amortized over a specified number of years.

In determining plan obligations, assumed rates of return on investments range from 4.5% to 6.75% and assumed salary increases range from 1% to 8.89%. Mortality, vesting retirement age and withdrawal estimates are based on various tables supplied by the actuary. Actuarial assumptions remained unchanged during the year.

Consulting actuaries determine the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and expected date of payment. The accumulated plan benefits information, calculated in accordance with FASB No. 35, for the most recent actuarial valuation as well as other actuarial information including actuarial projected liabilities under the cost method are presented in the following table.

<u>Actuary</u>	<u>CPFPF</u>	<u>JRS</u>	<u>PFRS</u>
	<u>The Wyatt Company</u>	<u>The Wyatt Company</u>	<u>Buck Consultants</u>
Most recent actuarial valuation date	December 31, 1984	July 1, 1985	June 30, 1985
Actuarial present value of accumulated plan benefits			
Vested benefits:			
Retirees and beneficiaries	\$125,987,582	\$ 36,479,912	\$ 839,901,000
Members	1,455,911	49,669,194	721,984,000
	127,443,493	86,149,106	1,561,885,000
Non-vested benefits	—	6,595,230	240,397,000
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	\$127,443,493	\$ 92,744,336	\$1,802,282,000
Net assets available for plan benefits (at market value)	\$ N/A	\$ 50,765,019	\$2,705,698,498
The following significant actuarial assumptions were used in the actuarial computations			
Death, retirement and withdrawals	Tables supplied by actuary	Tables supplied by actuary	Tables supplied by actuary
Assumed Rate of Return	8-1/2%	8-1/2%	9-1/2%
ACTUARIAL COST METHOD (traditional approach)			
Projected accrued liabilities	\$144,598,036	\$123,216,738	\$3,157,361,000
Asset valuation, at cost	\$119,061,217	\$ 46,833,392	\$2,522,118,860
Normal Contributions			
State	\$ 5,023,989	\$ 5,875,349	\$ 13,145,577
State related employers	—	—	114,534,449
Unfunded accrued liabilities	—	1,948,371	9,608,675
TOTAL	\$ 5,023,989	\$ 7,823,720	\$ 137,288,701

Actuary	POPF	PERS	SPRS
	The Wyatt Company	Buck Consultants	The Wyatt Company
Most recent actuarial valuation date	July 1, 1985	March 31, 1985	July 1, 1985
Actuarial present value of accumulated plan benefits			
Vested benefits:			
Retirees and beneficiaries	\$17,320,753	\$1,339,143,000	\$ 85,505,780
Members	5,219,942	1,433,112,000	142,987,515
	22,540,695	2,772,255,000	228,493,295
Non-vested benefits	—	391,517,000	23,004,235
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	\$22,540,695	\$3,163,772,000	\$251,497,530
Net assets available for plan benefits (at market value)	\$ 635,495	\$4,770,601,061	\$268,306,784
The following significant actuarial assumptions were used in the actuarial computations			
Death, retirement and withdrawals	Tables supplied by actuary	Tables supplied by actuary	Tables supplied by actuary
Assumed Rate of Return	8-1/2%	9-1/2%	8-1/2%
ACTUARIAL COST METHOD (traditional approach)			
Projected accrued liabilities	\$31,253,672	\$5,004,614,000	\$483,937,956
Asset valuation, at cost	\$ 636,105	\$4,203,078,378	\$244,516,021
Normal Contributions			
State	\$ 2,372,261	\$ 103,162,764	\$ 18,183,420
State related employers	—	155,625,598	—
Unfunded accrued liabilities	—	15,971,091	3,900,000
TOTAL	\$ 2,372,261	\$ 274,759,453	\$ 22,083,420

<u>Actuary</u>	<u>TPAF</u> <u>Buck Consultants</u>
Most recent actuarial valuation date	March 31, 1985
Actuarial present value of accumulated plan benefits	
Vested benefits:	
Retirees and beneficiaries	\$1,470,018,000
Members	1,858,007,000
	3,328,025,000
Non-vested benefits	258,679,000
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	\$3,586,704,000
Net assets available for plan benefits (at market value)	\$5,663,867,186
The following significant actuarial assumptions were used in the actuarial computations	
Death, retirement and withdrawals	Tables supplied by actuary
Assumed Rate of Return	9-1/2%
ACTUARIAL COST METHOD (traditional approach)	
Projected accrued liabilities	\$6,365,484,000
Asset valuation, at cost	\$4,958,039,109
Normal Contributions	
State	\$ 273,743,294
State related employers	—
Unfunded accrued liabilities	25,710,091
TOTAL	\$ 299,453,385

Post-retirement health care benefits are provided for retired employees that meet specified length-of-service and other requirements. These benefits are provided through the State's self-insured trust fund. The State recognizes the cost of providing these benefits, which totaled \$7.4 million for the year ended June 30, 1986,

based on an amount of funding to provide adequate reserve balances as determined by a consulting actuary.

Systems investments at June 30, 1986, by major class, (expressed in thousands) were as follows:

	<u>CPF</u>		<u>CPFPF</u>		<u>JRS</u>	
	<u>Amortized Cost</u>	<u>Market Value</u>	<u>Amortized Cost</u>	<u>Market Value</u>	<u>Amortized Cost</u>	<u>Market Value</u>
U.S. and Municipal						
Government Bonds	\$ —	\$ —	\$ 58,749	\$ 60,577	\$ 6,565	\$ 6,740
Corporate equity securities	—	—	—	—	—	—
Corporate debt securities	—	—	26,438	24,388	—	—
Common Pension Fund A	—	—	—	—	16,419	25,141
Common Pension Fund B	—	—	—	—	21,581	24,007
State of New Jersey Cash Management Fund	—	—	19,657	19,657	1,906	1,906
Other	—	—	3,849	4,167	—	—
TOTAL	\$ —	\$ —	\$108,693	\$108,789	\$ 46,471	\$ 57,794

	<u>PFRS</u>		<u>POPF</u>		<u>PERS</u>	
	<u>Amortized Cost</u>	<u>Market Value</u>	<u>Amortized Cost</u>	<u>Market Value</u>	<u>Amortized Cost</u>	<u>Market Value</u>
U.S. and Municipal						
Government Bonds	\$ 408,150	\$ 416,015	\$ —	\$ —	\$ 629,562	\$ 644,724
Corporate equity securities	—	—	—	—	—	—
Corporate debt securities	108,637	96,801	—	—	206,670	185,078
Common Pension Fund A	954,414	1,470,378	—	—	1,784,840	2,758,855
Common Pension Fund B	1,125,401	1,220,152	—	—	1,959,716	2,167,961
State of New Jersey Cash Management Fund	57,770	57,770	695	695	120,253	120,253
Other	11,192	10,711	—	—	24,263	23,023
TOTAL	\$ 2,665,564	\$ 3,271,827	\$ 695	\$ 695	\$4,725,304	\$5,899,894

	<u>SPRS</u>		<u>SACT</u>		<u>TPAF</u>	
	<u>Amortized Cost</u>	<u>Market Value</u>	<u>Amortized Cost</u>	<u>Market Value</u>	<u>Amortized Cost</u>	<u>Market Value</u>
U.S. and Municipal						
Government Bonds	\$ 24,254	\$ 24,880	\$ —	\$ —	\$ 690,650	\$ 704,762
Corporate equity securities	—	—	127,908	127,908	—	—
Corporate debt securities	12,519	11,596	—	—	421,257	370,284
Common Pension Fund A	109,073	169,596	—	—	2,180,568	3,364,320
Common Pension Fund B	126,248	138,590	—	—	2,098,438	2,272,145
State of New Jersey Cash Management Fund	6,888	6,888	1,723	1,723	229,964	229,964
Other	849	784	—	—	42,797	40,632
TOTAL	\$279,831	\$352,334	\$129,631	\$129,631	\$5,663,674	\$6,982,107

	Grand Total	
	Amortized Cost	Market Value
U.S. and Municipal Government Bonds	\$ 1,817,930	\$ 1,857,698
Corporate equity securities	127,908	127,908
Corporate debt securities	775,521	688,147
Common Pension Fund A	5,045,314	7,788,290
Common Pension Fund B	5,331,384	5,822,855
State of New Jersey Cash Management Fund	438,856	438,856
Other	82,950	79,317
TOTAL	\$13,619,863	\$16,803,071

NOTE 16—TRANSFER TO AND FROM OTHER FUNDS

Transfer to and Transfer from other funds (\$1.0 billion) in the Statement of Revenues, Expenditures,

and Changes in Fund Balances represents operating transfers between fund groups. A summary of Transfers to and Transfers from is presented below.

Transfers From	Transfers To (In Millions)					Total
	General Fund	Debt Service	Special Revenue Funds	Capital Projects Funds	Expendable Trust Funds	
General Fund	\$ —	\$295.8	\$ 1.7	\$ —	\$142.7	\$ 440.2
Debt Service	—	—	—	—	—	—
Special Revenue Fund	457.5	—	25.6	—	—	483.1
Capital Projects Funds	14.5	—	—	—	—	14.5
Trust and Agency Funds	67.6	—	—	—	—	67.6
Total	\$539.6	\$295.8	\$27.3	\$ —	\$142.7	\$1,005.4

NOTE 17—DEFICIT FUND BALANCES

The deficit fund balance in the Gubernatorial Elections Fund (\$3.0 million) results from expenditures in excess of revenues. It is anticipated that revenues realized during fiscal year 1987 will reduce this deficit.

The deficit balance of \$2.0 million in the Hazardous Discharge Site Clean Up Fund results from monies advanced from the General Fund for random clean-up. This deficit will be reduced when bonds are sold by the Hazardous Discharge Fund.

NOTE 18—FUND BALANCE RESERVED—OTHER

The following portions of fund balances have been reserved:

GENERAL FUND

Of the \$62.9 million reservation in the General Fund, \$16.2 million consists principally of long-term advances and receivables due from individuals, estates, municipalities, railroads and other funds that are considered not currently available for appropriation. In addition, \$46.7 million is reserved for potential disallowance of amounts previously claimed and received from the Federal government by the Department of Human Services.

SPECIAL REVENUE FUNDS

Clean Waters Fund and Natural Resources Fund

These funds have loaned various qualifying municipalities \$10.5 and \$2.5 million, respectively, for

the purpose of improving sewerage treatment facilities and emergency water supply projects. These loans will be repaid over a ten year period.

Mortgage Assistance Fund

\$20.8 million represents loans receivable from the New Jersey Housing and Mortgage Finance Agency which will subsequently be repaid over a period of years based on repayments to that agency by borrowers.

Housing Assistance Fund

\$12.2 million represents loans receivable from the New Jersey Housing and Mortgage Finance Agency which are to be repaid over a period of years based on repayments to that agency of mortgage loans made to borrowers.

Water Conservation Fund

\$5.7 million represents sewage facility planning loans plus accumulated interest thereon.

Superior Court Trust Fund

The fund's Investment Advisory Committee has adopted a policy of establishing a reserve against capital losses on sales of securities to insure payment of interest at established rates. This reserve is based on 3% of the annual moving average market value of total investments as of the end of each month and amounted to approximately \$3.8 million at June 30, 1986.

Green Trust Fund

\$1.9 million represents loans and interest due from various municipalities for land acquisition and development.

Beaches and Harbor Fund

\$4.5 million represents amounts in escrow with respect to a harbor dredging project in New York Harbor.

Hazardous Discharge Site Clean Up Fund

\$3 million represents a promissory note for which payment will be made between 1992 and 1994.

New Jersey Local Development Financing Fund

\$5.3 million represents loans made to various municipalities for economic development which will be repaid during a subsequent period of years.

Water Supply Fund

\$19.6 million represents loans to the New Jersey Water Supply Authority which will be repaid over a 10 year period commencing on May 1, 1986. \$4.9 million represents principal and interest on rehabilitation loans made to various municipalities.

TRUST FUNDS

Stock Workers' Compensation Security Fund

Mutual Workers' Compensation Security Fund

The Workers' Compensation law requires that all interest earned through June 30, 1986 by these funds is to be transferred to a Special Compensation Fund as of July 1, 1986. At June 30, 1986, such interest amounted to \$4.1 million and \$.6 million, respectively.

Fund for Support of Free Public Schools

New Jersey Statutes provide for the establishment of a School Bond Reserve within this fund, in an amount equal to at least one and one-half percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes, exclusive of the debt service for bonds as provided by State appropriations. Accordingly, \$17.9 million of this fund balance has been reserved at June 30, 1986.

Higher Education Assistance Fund

\$8.5 million represents loans to students that will be paid over an extended period of time.

Unclaimed Personal Property Escheats Fund

\$1.3 million represents loans due from the New Jersey Economic Development Authority.

Unsatisfied Claim and Judgment Fund

\$4.0 million represents advances to the General Fund in accordance with Chapter 125, P.L. 1983. \$3.5 million represents claims which will be repaid over an extended period of years.

Motor Vehicle Liability Security Fund

\$12.4 million represents a future liability to the New Jersey Property-Liability Insurance Guarantee Association based on a Stipulation and Order of Dismissal entered into by the State Treasurer and Commissioner of Insurance.

NOTE 19—CONTINGENT LIABILITIES

The State is involved in a number of legal actions wherein the State of New Jersey has the potential for either loss of revenue or unanticipated expenditure. The exact amount involved in these legal proceedings is not fully determinable as of June 30, 1986.

GENERAL FUND

Within the Tax Court of New Jersey there was a case challenging the right of the State to reflect as part of the income and net worth tax basis for computation of the corporation business tax securities issued by certain public authorities. While the amount of the State's liability cannot be estimated at this time, an adverse decision in this case could result in excess of \$20 million in unan-

ticipated expenditures. The Tax Court of New Jersey, in a decision dated June 20, 1984, sustained the State's inclusion of the principal and interest relating to securities issued by certain public authorities in the tax bases of the Corporation Business Tax. This decision has been affirmed by the Superior Court of New Jersey, Appellate Division, and the New Jersey Supreme Court, in a decision dated May 22, 1986, affirmed the judgment of the Appellate Division, thereby sustaining the inclusion of principal and interest relating to federal and State bond obligations in the net worth and net income tax bases of the Corporation Business Tax Act. The taxpayer has filed a notice of appeal with the Supreme Court of the United States.

There are presently several cases pending in federal courts challenging conditions and adequacy of care in State psychiatric hospitals and schools for the mentally retarded. The plaintiffs allege that the institutions are not providing their residents with educational and rehabilitative programs which comply with state and federal constitutional and statutory standards. At present, the State operates four psychiatric hospitals, eight State residential institutions for the mentally retarded, one nursing home and one juvenile treatment facility. Judgments for plaintiffs could require the State to make substantial expenditures, the exact amount of which cannot be estimated at this time.

There is a civil action now pending in the Tax Court of New Jersey, wherein the plaintiffs have challenged the increases in motor fuels user identification markers fees effected by the Transportation Trust Fund Authority Act, N.J.S.A. 27:1B-1, et seq. This matter raises no question as to the validity of such increases in fees being assessed against intrastate motor carriers. Plaintiffs have been certified to represent all interstate motor carriers whose base truck registrations are issued in jurisdictions outside of the State and contend, inter alia, that (i) the increased fee is not related to the mileage traveled by each affected trucker within the State and such violates the Commerce Clause of the Federal Constitution; and (ii) the fee falls disproportionately on out-of-state motor carriers and as such violates the plaintiffs rights under the Equal Protection Clause and Privileges and Immunities Clause of the Federal Constitution, as well as their rights secured by 42 U.S.C. 1983. Plaintiffs are seeking a declaratory judgment holding the N.J.S.A. 54:39A-10, as amended by the Transportation Trust Fund Authority Act, is unconstitutional insofar as it assesses a \$25.00 motor fuels user identification marker fee on out-of-state motor carriers; a permanent injunction against collection of the increased fee; and refunds of any increased fees unlawfully collected attorneys' fees and costs.

An adverse decision could result in tax refunds that may exceed \$20 million.

As of June 30, 1986 there were numerous tort and contract cases and notices of claims filed against the State. The State is unable to estimate its exposure for these cases and claims. An independent study estimated an aggregate potential exposure of \$50 million for claims pending, as of January 1, 1982. It is estimated that were a similar study made of claims currently pending, the amount of such estimated exposure would be somewhat higher.

SPECIAL REVENUE FUNDS

New Jersey Spill Compensation Fund

Presently there are pending damage claims filed in the amount of \$27.8 million.

Sanitary Landfill Contingency Fund

Various claims totalling approximately \$25.4 million have been filed against this fund by individuals, local municipalities and school districts. The ultimate disposition of these claims is not determinable at this time.

CAPITAL PROJECTS FUNDS

State Transportation Fund and 1979 Transportation Rehabilitation and Improvement Fund

Contractor claims totaling \$1.7 million and \$33.9 million, respectively, have been filed against these funds. These claims are for damages due to delays in construction and design problems. Fund management is presently evaluating these claims and there has been no determination as to the ultimate amount for which these funds will be liable.

TRUST FUNDS

Unsatisfied Claim and Judgment Fund

At June 30, 1986, this fund was contingently liable for reported excess medical benefit claims of \$395.2 million. In addition, there may be a substantial amount of incurred, but unreported excess medical benefit claims, which have been actuarially estimated to be \$628.2 million as of June 30, 1986.

The Fund is also liable for claims for injuries arising out of uninsured motorist claims actuarially estimated to be \$14.1 million at June 30, 1986.

FEDERAL PROGRAMS

Under the terms of various grant awards, expenditures from Federal funds are subject to audit. As of June 30, 1986, audits of expenditures for fiscal years 1985 and prior may not be completed. Disallowances which may result from these audits are not determinable at this time. It is management's opinion that disallowances, if any, would not be material as of June 30, 1986.

NOTE 20—PUBLIC AUTHORITIES AND UNIVERSITIES

(A) ENTERPRISE FUNDS

The accounts of public authorities, private not-for-profit corporations and similar entities (hereinafter called Authorities) in the accompanying financial statements are derived from their most recently issued annual financial statements. The inclusion of these entities in the State's combined financial statements reflects the oversight role exercised by the State over them, but does not affect their separate legal standing. Oversight is defined to include criteria such as appointment of the board, designation of management, and the ability to significantly influence operations. Other factors that have been considered include the scope of the services rendered and the existence of special financial relationships.

Additional information, including descriptions of the entities, is provided below.

AUTHORITIES

Authorities (as defined above) are legally separate entities that are not operating departments of the State. The Authorities are managed independently, outside the appropriated budget process and their powers generally are vested in a governing board. Authorities are established for a variety of purposes for the benefit of the State's citizenry such as economic development, financing and public transportation. However, they are not subject to State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts.

The Governor, with the approval of the State Senate, appoints the members of the board of most authorities. Authorities generally submit annual reports to the Governor, the Legislature and the Comptroller on their operations and finances accompanied by an independent auditor's report thereon. Authorities also submit to the Governor and the Legislature annual budget information on operations and capital construction. The Governor has from time to time exercised the statutory power to veto the actions.

The amounts presented in the accompanying combined financial statements for Authorities include the following entities for the fiscal years indicated:

Entity	Year End
Hackensack Meadowlands Development Commission	December 31, 1985
New Jersey Building Authority	December 31, 1985
New Jersey Casino Reinvestment Development Authority	December 31, 1985
New Jersey Economic Development Authority	December 31, 1985
New Jersey Educational Facilities Authority	December 31, 1985
New Jersey Expressway Authority	December 31, 1985
New Jersey Health Care Facilities Financing Authority	December 31, 1985
New Jersey Highway Authority	December 31, 1985
New Jersey Housing and Mortgage Finance Agency	June 30, 1986
New Jersey Sports and Exposition Authority	December 31, 1985
New Jersey Transit Corporation	June 30, 1986
New Jersey Transportation Trust Fund Authority	June 30, 1986
New Jersey Turnpike Authority	December 31, 1985
New Jersey Water Supply Authority	June 30, 1986
South Jersey Port Corporation	December 31, 1985

AUTHORITIES FINANCIAL INFORMATION

All the financial data presented was derived from audited financial statements and summarized into the accompanying format, which includes segment information. The public authorities predominantly follow the accrual basis of accounting. A few of the individual component units, principally the Expressway Authority, South Jersey Port Corporation, Highway Authority, and Turnpike Authority do not fully conform to the accrual basis of accounting but are based on the provisions of bond resolutions.

SEGMENT INFORMATION
(In thousands)

	<u>Total Assets</u>	<u>Total Fund Balances</u>	<u>Total Revenue</u>	<u>Excess Revenue Over Expenses</u>	<u>Depre- ciation and Amorti- zation Expense</u>
Hackensack Meadowlands					
Development Commission	\$ 80,891	\$ 36,313	\$ 36,202	\$ 8,938	\$ 957
New Jersey Building Authority	158,902	1,402	27,060	1,401	—
New Jersey Casino Reinvestment					
Development Authority	117,910	55,787	58,055	55,787	—
New Jersey Economic					
Development Authority	88,642	82,971	21,443	5,102	—
New Jersey Educational					
Facilities Authority	596,242	126,952	40,036	(41,033)	—
New Jersey Expressway Authority	105,568	57,748	22,848	5,688	—
New Jersey Health Care Facilities					
Financing Authority	4,200,089	1,263,074	2,531	825	75
New Jersey Highway Authority	1,038,154	711,341	131,810	41,432	—
New Jersey Housing and Mortgage					
Finance Agency	3,304,475	253,052	287,481	31,101	—
New Jersey Sports and					
Exposition Authority	521,371	73,337	190,818	40,967	12,495
New Jersey Transit Corporation	1,372,987	1,200,381	494,265	(81,603)	65,194
New Jersey Transportation Trust					
Fund Authority	330,174	273,353	172,788	40,790	—
New Jersey Turnpike Authority	3,547,705	1,009,726	181,112	11,846	—
New Jersey Water Supply Authority	151,212	53,989	8,054	957	1,243
South Jersey Port Corporation	57,818	7,520	15,149	957	—
	<u>\$15,672,140</u>	<u>\$5,206,946</u>	<u>\$1,689,652</u>	<u>\$123,155</u>	<u>\$79,964</u>

**HACKENSACK MEADOWLANDS DEVELOPMENT
COMMISSION**

The Commission was established to provide for orderly and comprehensive development of the Hackensack meadowlands, including the authority to reclaim, plan, develop, redevelop, and regulate sanitary landfills.

The financial statements of the Commission are prepared in accordance with generally accepted accounting principles.

The principal asset of the Commission is investments of \$33.5 million, which approximates market and consist of U.S. Government Securities and New Jersey Cash Management Deposits. Fixed assets of \$13.9 million are stated at cost and depreciated over their estimated useful life using the straight-line basis. The major fixed asset is the Solid Waste Baler Facility.

The Commission's debt at December 31, 1985 con-

sisted of notes in the amount of \$12.5 million at interest rates from 6.85% to 8%. The net revenues, defined as all revenues derived by the Commission from the operation of the baler project not applied to the expenses, are pledged as security for payment of debt service on the notes. The notes are not a debt or liability of the State of New Jersey.

Charges for services less rebates amounted to \$27.6 million for the year ended December 31, 1985. This represented 92% of operating revenue and 76% of the Commission's total revenue. The Commission's 1985 revenue includes an appropriation from the State of New Jersey in the amount of \$3.8 million.

NEW JERSEY BUILDING AUTHORITY

The Authority was created for the purpose of providing the capital resources necessary to construct office buildings and related facilities to meet the needs of State agencies.

The financial statements of the Authority have been prepared in accordance with generally accepted accounting principles.

The Authority's most significant asset, investments of \$82.5 million, are stated at cost, which approximates market and bear interest at varying rates ranging from 7.125% to 10.90%. All investments are made by the trustee at the direction of the Authority. Fixed assets of \$59.6 million are stated at cost, less net capitalized interest on construction account investments, which includes direct construction costs and other expenditures related to construction.

The Authority had outstanding bonds at December 31, 1985 amounting to \$142.1 million with maturities through 2013 at interest rates from 6.0% to 10.25%. The bonds are collateralized by the lease payments received from the State of New Jersey.

NEW JERSEY CASINO REINVESTMENT DEVELOPMENT AUTHORITY

The Authority was created to directly facilitate the urban redevelopment of Atlantic City by providing eligible projects in which the casinos can invest, and to promote the tourist industry in New Jersey, especially in Atlantic City. Under the law, casinos are obligated to invest 1.25% of gross revenues in bonds of the Authority. The bonds are used to finance projects approved by the Authority, in Atlantic City until 1987 and in South Jersey and North Jersey thereafter. The Authority also can approve direct investments in projects by the casinos.

The accounts of the Authority are maintained in accordance with the modified accrual method. Revenues are recorded when they become both measurable and available and expenditures are recorded when the liability is incurred. Revenues which are considered measurable but not available are recorded as receivables and deferred revenues. As such the Authority recognizes 1.25% of gross revenue of the casinos when it is earned by the casinos as obligations which are available to finance projects for which bonds have not been issued. Obligations incurred by casinos operating prior to the establishment of the Authority are payable to the Authority in accordance with the following schedule:

1979	due	1984
1980	due	1985
1981	due	1986
1982	due	1987
1983	due	1988
1984	due	1989

For accounting purposes, these amounts are recorded as receivables and deferred revenues to be recognized when the payments are due. As of December 31, 1985, the Prior Obligations totaled \$60.5 million.

Investments of \$52.0 million consists primarily of funds invested in the State of New Jersey Cash Management Fund. A pro rata share of two third of all interest earned by the Authority from investment of obligation funds received from the casinos is payable to those casinos. Such share amounted to \$1.3 million in 1985.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

The Authority was established primarily to provide long-term, low interest financing to private firms and companies for the purpose of maintaining and expanding employment opportunities in the State. To accomplish its objectives, the Authority is empowered to issue tax-exempt industrial development bonds; to guarantee loans; to make direct loans; to buy and sell land, buildings, and other property; and to conduct studies related to its legislative mandate to stimulate employment and investment in New Jersey.

The Authority's financial statements are presented in accordance with generally accepted accounting principles.

The Authority's primary source of operating revenue are its bond fees, which are based on a percentage of the principal amount of bonds issued. Revenues from this source amounted to \$5.9 million for the year ended December 31, 1985. Revenues from bond fees are recognized at the time of loan settlement.

The Authority's principal asset is cash and cash equivalents. Cash equivalents are stated at cost which approximates market. Cash and cash equivalents at December 31, 1985 amounted to \$50.5 million and consisted of cash, U.S. Government Securities and investments in the New Jersey Cash Management Fund. Notes receivable in the amount of \$29.7 million consist of installment notes due from companies which qualify for various loan programs of the Authority and are generally collateralized by the assets and guarantees of the companies or the principals of the companies which receive Authority assistance. The notes receivable bear interest at varying rates from 4% to 14% and mature at various times through 2003.

The Authority's note payable (loan) of \$1.2 million is the outstanding balance remaining on an original \$4.0 million note payable (loan) of November 1984 used to acquire a vacated manufacturing facility in Elizabeth, N.J. The original loan had a term of four years, with interest at a rate of 8% per annum, and is secured by a first mortgage on the site. Other Liabilities of \$2.2 million contains \$1.7 million of real estate completion cost relative the Authority's obligation to complete the development of certain parcels that have been sold at the Seaport Industrial Center.

During 1985, approximately \$1.1 billion aggregate principal amount of Authority bonds were issued. The principal and interest on all bonds issued are payable

solely from the revenues and other monies derived from the sale or other disposition of the project financed by such bonds, any other revenues from the project or other monies which may be pledged with respect to such issues. The bonds are special obligations of the Authority, do not constitute obligations against the general credit of the Authority, and are not in any way a debt or liability of the State except for the \$4 million note mentioned above. Therefore, the bonds are not recorded on the financial statements of the Authority.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

The Authority was established to provide a means for New Jersey public and independent colleges and universities to construct additional facilities through the financial resources of a public authority empowered to sell tax-exempt bonds. While the Authority may finance only revenue-producing facilities on public college campuses, it is not so restricted for the independent institutions, and may finance academic facilities as well. The Authority's financial statements are presented in accordance with generally accepted accounting principles.

The Authority's primary source of revenue is its charges to the various colleges for their annual rental requirement. During the year ended December 31, 1985, revenue from these charges amounted to \$29.3 million. When undertaking the funding of projects for universities, the Authority normally takes title to the property by way of a deed from the respective Board of Trustees and the New Jersey Board of Higher Education. At the same time as the Authority accepts a deed to the property, it also negotiates a lease and agreement whereby the project is made available to the Board of Trustees of the College for operating purposes. The nature of the lease is that of a net lease, whereby the Board of Trustees is required to charge sufficient annual rentals to provide for operation and maintenance of the project, with a sufficient net residual amount to be available to provide for payment of the annual rentals to the Authority (rental requirement). The Authority's security for the loan is the pledge of net operating revenues from the use of the facility by the participating institution.

Since the public colleges are agencies of the State of New Jersey, the Authority Act and subsequent Supreme Court decisions testing its powers provided that a Board of Trustees may pledge only those revenues derived from the operation of the Authority financed project for the repayment of its obligations.

The principal assets of the Authority at December 31, 1985 were receivables and investments which amounted to \$410.0 and \$175.8 million, respectively.

Receivables from mortgages and leases are repaid over periods concurrent with those of the related bond

issues of the Authority. For those projects under lease agreements, it is the intention of the Authority to transfer title in the land and buildings to the institutions at the expiration of the leases. Accordingly, the leases are being accounted for as financing transactions.

Investments are comprised of Commercial Paper and U.S. Government Obligations and are stated at the lower of cost or market.

As of December 31, 1985, the Authority had outstanding revenue bonds and notes amounting to \$519.0 million, which are secured by a pledge of the net operating revenues from the use of the facility by the institution for which such bonds were issued. The obligations incurred by the Authority in issuing bonds are exclusively those of the Authority and do not place an obligation on, or have the guarantee of, the State of New Jersey for repayment of interest or principal.

NEW JERSEY EXPRESSWAY AUTHORITY

The Authority was established to acquire, construct, maintain, repair, and operate expressway projects at such locations as determined by law. Presently, the Authority operates a toll road from Camden to Atlantic City, which is called the Atlantic City Expressway.

The accounts of the Authority are maintained in accordance with the provisions of its bond resolutions. The financial statements of the Authority differ from generally accepted accounting principles insofar as they do not include a provision for depreciation of the Expressway and related facilities, construction costs are recorded as paid and costs of major repairs and equipment replacements are not capitalized.

Investments totaling \$45.1 million, which approximates market, are recorded at cost and consist principally of Money Market Accounts and Certificates of Deposit.

Bonds payable of \$45.2 million represent the most significant liability of the Authority. On December 5, 1985, the Authority issued \$28.3 million of General Expressway System Revenue Bonds 1985 Series A dated November 1, 1985 (the "1985 Bonds"). The proceeds from the 1985 Bonds will be used for the purpose of providing a portion of the funds required to construct an additional lane on a portion of the Atlantic City Expressway.

The 1985 Bonds were issued as follows: 7.6 million serially through November 1, 1995, with interest rates ranging from 5.50% to 7.60% and \$20.6 million term bonds due May 1, 2005, with interest at 8.875% per annum. The 1985 Bonds are subject to redemption prior to maturity, at the option of the Authority as a whole or in part at any time on or after November 1, 1995, at varying premium rates. The 1985 Bonds are secured by the proceeds of the sale of the 1985 Bonds, all revenues (subject to the primary pledge of such revenues to the 1983 Bonds) and all funds established

by the resolution except for the Subordinated Obligation Fund.

In 1983, the Authority issued \$17.7 million of Expressway System Revenue Refunding Bonds (the "1983 Bonds") and \$12.5 million of Special Obligation Refunding Bonds (the "Special Obligation Bonds") for the purpose of refunding the Authority's outstanding Atlantic City Expressway Revenue Bonds, Series A and B. These bonds are not a debt or liability of the State of New Jersey.

The 1983 Expressway System Revenue Refunding Bonds mature as follows: \$5.4 million serially through November 1, 1994, with interest ranging from 6% to 9% per annum, and \$12.3 million Term Bonds due November 1, 2003, with interest at 9.875% per annum. The Bonds are collateralized by the proceeds of sale of the Bonds, all revenues, and all funds established by the 1983 Bond Resolution except for the Subordinated Obligation Fund.

The Special Obligation Refunding Bonds mature serially through February 1, 1996, at interest rates ranging from 5.50% to 8.75% and are not subject to redemption prior to maturity. They are collateralized solely by the moneys deposited for investment securities, and the Authority is not liable for the payment of principal or interest, other than from moneys held in escrow by the trustee.

Under the terms of an agreement dated November 17, 1983, the Authority has agreed to make annual payments to the State of New Jersey to assist in transportation purposes. These payments are to be made at an annual sum of at least \$2.5 million plus additional amounts as may be determined annually based on the Authority's annual budget requirements for the next succeeding fiscal year.

NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY

The Authority was established to encourage the timely construction and modernization of qualified hospitals and other health care facilities by making available the necessary financing. The Authority issues revenue bonds and equipment revenue notes to designated borrowers for specific purposes in order to provide the financing. The Authority's financial statements are presented in accordance with generally accepted accounting principles.

The Authority's primary source of revenue is its administrative fees. The Authority charges an initial fee and/or an annual administrative fee to those health care facilities for which bond and note sales have been completed. Such fees are charged for the monitoring of construction progress, processing of project costs, investment management of bond proceeds, monitoring of financial performance and other services provided to institutions to which it lends the proceeds of its bonds and notes. The fees are used to provide suffi-

cient funds to ensure that the Authority's operating expenses will be met, and that sufficient reserves will be available to provide for the Authority's needs, including, but not limited to, the possible future expansion of the Authority's offices and staff in order to provide additional services to the health care community; the coverage of Authority members' legal liability as a result of official actions; and research and development costs consistent with the Authority's legislation. Revenues from administrative fees for the year ended December 31, 1985 amounted to \$2.0 million.

The Authority's primary asset, receivables is comprised principally of \$1.4 billion of other receivables and \$1.2 billion of mortgage receivables at December 31, 1985. Other Receivable consist primarily of loan receivables of \$1.4 billion with principal and interest payments on the loans being payable at such time and in such amounts as to provide the Authority with sufficient funds to meet the principal and interest requirements of the revenue bonds. Mortgage receivable are granted to the Authority by the borrower for periods concurrent with those of the related bond issues of the Authority. The institutions are required to make principal and interest payments to the Authority or trustee bank sufficient to meet the principal and interest requirements of the revenue bonds payable. To the extent required by the applicable debt service schedules, funds received by the Authority have been placed in debt service and debt service reserve funds for future interest and principal payments. The interest payments charged to the institutions are the same interest payments due on the Authority's outstanding revenue bonds. Among other things, the mortgages provide first liens on the physical property financed with the bond proceeds and, in some instances, previously existing hospital facilities. The Authority has assigned all of its rights, title and interest in such security to the trustee bank for each respective bond issue.

The Authority's financial statements also include cash of \$28.0 million and investments of \$1.5 billion at December 31, 1985. Investments are stated at cost, which approximates market and consist of U.S. Government Securities and investments in the New Jersey Cash Management Fund.

As of December 31, 1985, the Authority had outstanding revenue bonds and notes of \$2.8 billion. The security for these obligations of the Authority is described above and is assigned to the Trustee of the bond issue or to the holder of the notes. The bonds and notes do not constitute a debt or liability of the State of New Jersey or any political subdivision thereof other than the Authority, or a pledge of the faith and credit of the State of New Jersey or any such political subdivision thereof other than the Authority, but are payable solely from the revenues received by the Authority under the mortgage, loan, lease and note agreements.

NEW JERSEY HIGHWAY AUTHORITY

The Authority was established to acquire, construct, operate, and maintain highway projects. The Authority has constructed and maintains and operates the Garden State Parkway. The Authority also owns and operates the Garden State Arts Center.

The Authority's policy is to prepare its financial statements in accordance with the provisions of its bond resolutions. The financial statements of the Highway Authority differ from generally accepted accounting principles insofar as they do not include a provision for depreciation of the Garden State Parkway and related facilities and equipment replacements are not capitalized.

The Authority's fixed assets, which are stated at cost, consist principally of rights-of-way and parkway and recreational facilities. These amounts totaled \$797.5 million at December 31, 1985.

Investments totaling \$227.7 million consist of direct obligations of the U.S. Government, U.S. Government Agencies, U.S. Government Sponsored Corporations, and bank repurchase agreements which are valued at cost, adjusted for premium amortization or discount accretion.

Bonds payable of \$275.5 million at December 31, 1985 is the Authority's most significant liability. On October 25, 1984, the Authority authorized a Financing Plan for the refunding of all of the outstanding Parkway Refunding Revenue Bonds, 1978 Series (the "Parkway Bonds") and to finance a portion of the Authority's five-year capital improvement program. The refunding was accomplished by the issuance of Senior Parkway Revenue Bonds, 1984 Series (the "Bonds").

The Senior Parkway Revenue Bonds, 1984 Series are comprised of both serial and term bonds. The serial bonds will mature annually on January 1 in each year from 1986 to 2000 in varying amounts. The term bonds will mature January 1, 2005 through 2015. The terms bonds are subject to redemption in part by random selection on each January 1 on or after January 1, 2001 through 2015 at the principal amount thereof plus accrued interest to date of redemption thereof, from mandatory sinking fund installments.

Bond indebtedness is collateralized by a pledge of all tolls and other revenues from the Parkway. The bonds are not a debt or liability of the State of New Jersey.

On April 26, 1984, the Authority and the State of New Jersey signed an agreement effective July 11, 1984, whereby the Authority agreed to make annual contributions to the State for general transportation purposes for a period of 20 years (see Transportation Trust Fund Authority). The total annual contribution is set at \$10.0 million. The payments to the State are on a parity with or subordinate to the Senior Parkway Revenue Bonds, 1984 Series. Subject to the pledge of the Authority's

bond resolutions, the Authority pledges all revenues for the payment of the State payments.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

The Agency has been granted the power to obtain funds through tax-exempt bond sales and to use the proceeds to finance the construction and rehabilitation of housing projects for families of low and moderate income by providing mortgage loans to qualified housing sponsors or to increase the funds available for residential mortgage and rehabilitation or improvement loans. The Agency presents its financial statements in accordance with generally accepted accounting principles.

The Agency's primary asset, receivables, is comprised of first mortgage loans of \$2.0 billion, which is net of allowances of \$2.7 million. Mortgage loans are generally repayable over terms of 25 to 48 years and bear interest at rates from 4.5% to 13.0% per annum. All first mortgage loans receivable are collateralized by first mortgage liens on the property. The provision for uncollectible loans during the year ended June 30, 1986 was \$.4 million.

Investments of \$1.1 billion, which approximates market, consist of obligations of the U.S. Government or its agencies, investments in certificates of deposit of commercial banks, which are members of the Federal Reserve System, and investments in the State of New Jersey Cash Management Fund. Cash and investments of the Agency are substantially restricted for the payment of bonds, principal and interest expense and the extension of mortgage loans.

Long-term obligations are the Agency's primary liability. At June 30, 1985, outstanding bond obligations amounted to \$2.8 billion, which is net of bond discount. The bonds, except for Section 11(b) bonds are generally collateralized by (1) a pledge of the full faith and credit of the Agency, (2) all mortgage repayments to the Agency of mortgage loans financed out of related bonds, and (3) all Agency income resulting from fees and charges collected from the related project sponsor. Section 11(b) bonds are separately secured special and limited obligations of the Agency payable solely from the property pledged to the payment thereof. The Agency has no taxing power and the State of New Jersey is not liable on bonds issued by the Agency.

Advances from other funds represents advances from the State for bond and housing assistance amounting to \$36.5 million. This represents amounts received by the Agency from the 1968 and 1976 State of New Jersey General Obligation Bond Assistance Funds. These funds have been pledged as security for bonds of certain bond resolutions and to provide additional financing (supplemental mortgages and other

loans) to certain housing projects. These funds are repayable to the State when the related loans are collected and the bonds have been retired.

NEW JERSEY SPORTS AND EXPOSITION AUTHORITY

The Authority was established to own and operate various projects, located in the State of New Jersey, including stadiums and other buildings and facilities for athletic contests, horse racing, and other spectator sporting events and for trade shows and other exhibitions.

The Authority operates two racetracks and a stadium for football and other events and a multi-purpose arena for basketball, hockey, and other sports and entertainment events.

The financial statements of the Authority are prepared in accordance with generally accepted accounting principles.

The principal asset of the Authority, fixed assets of \$411.2 million, is stated at cost, which includes, all costs during the construction period for acquisition of land, rights-of-way, surveys, engineers charges, roads, construction costs and additions to facilities, administrative and financial expenses and interest during the construction net of interest income earned on the unexpended funds. Depreciation is computed on a straight-line method based on the estimated useful lives of the related assets. Depreciation expense for the year ended December 31, 1985 amounted to \$12.3 million.

At December 31, 1985, the Authority had outstanding bonds and notes of \$396.3 million and \$17.1 million, respectively. Included in the amount of bonds outstanding is \$74.3 million of Sports Complex Bonds—1978 Series (Senior Lien Bonds), \$175.4 million Sports Complex Refunding Bonds—1985 Series (Guaranteed by the State of New Jersey), \$107.2 million Sports Complex Subordinated Refunding Bonds—1985 Series, and \$39.4 million Monmouth Park Revenue Bonds, 1985 Series.

On December 4, 1985, the Authority issued \$175.4 million of Sports Complex Refunding Bonds, 1985 Series, guaranteed by the State of New Jersey and \$107.2 million of Sports Complex Subordinated Refunding Bonds, 1985 Series, in connection with a restructuring of the Authority's outstanding debt. The proceeds from the bonds along with other available funds of \$12.4 million were used to refund the Sports Complex Refunding Bonds, 1978 Series in the amount of \$270.5 million, the Sports Complex Subordinated Refunding Bonds, 1983 Series in the amount of \$38.3 million, the Sports Complex Notes, 1985 First Series in the amount of \$12.0 million and the accrued interest on the aforementioned obligations through December 4 of approximately \$6.9 million. In addition, \$15.9 million was deposited into the reserve account estab-

lished for the 1985 Subordinated Refunding Bonds. The gain on the advance refunding was \$45.4 million. Issuance cost of \$5.3 million has been reflected in other assets.

The Sports Complex bond resolutions pledge the net revenues of the Sports Complex as security for the bonds. Pursuant to authorization contained in the State Guaranty Act, the punctual payment of principal and interest on the Guaranteed Refunding Bonds is unconditionally guaranteed by the State of New Jersey. In addition, the debt service reserve requirements of \$6.1 million and \$15.9 million for the Senior Lien Bonds and the Subordinated Refunding Bonds, respectively, have been set aside out of the proceeds of the bond sales, as additional security for the respective bond holders. These amounts are included as part of the Authority's investments.

The Senior Lien Bonds, the Subordinated Refunding Bonds and the Monmouth Park Revenue Bonds are not a debt or liability of the State of New Jersey or of any political subdivision of the State other than the Authority. The Subordinated Refunding Bonds are subordinate to the outstanding Senior Lien Bonds and \$2.0 million Sports Complex Note—1980 Third Series.

On September 1, 1985, the Authority authorized the issuance of the Monmouth Park Revenue Bonds, 1985 Series, pursuant to the indenture of trust. The bonds are secured by a pledge of the net revenues derived from Monmouth Park. Additional security includes mortgages on certain assets of Monmouth Park, the Debt Service Reserve of \$5.9 million, and available annual surplus revenues derived from the Sports Complex.

The Authority's primary source of revenues is the racetrack, which contributed \$92.6 million or 64% of total revenues for 1985. According to the Act which created the Authority, any excess revenues are designated for transfer to the State's General Fund. During 1985, \$2.0 million was designated for transfer pursuant to the Act.

On March 28, 1985 the New Jersey Supreme Court ruled that simulcasting of horse races between tracks violates the State Constitution and simulcasting was immediately discontinued. Simulcasting was approved by voter referendum on November 5, 1985 and was reinstated on December 3, 1985.

Net revenues from simulcasting were approximately \$1.1 million and \$2.6 million during the years ended December 31, 1985 and 1984, respectively.

On September 24, 1985, the Authority purchased all the outstanding shares of Monmouth Park Jockey Club (the Company), which owned and operated a racetrack located in Oceanport, New Jersey at a cost of approximately \$43.5 million. The acquisition of the Company has been accounted for under the purchase method of accounting in accordance with Accounting Principles

Board Opinion No. 16. On December 31, 1985, the Authority dissolved the Company and transferred all of the Company's assets to the Authority and assumed all of the Company's liabilities. The revenue and expenses of the Company relating to the period September 24, 1985 to December 31, 1985 are included in the combined financial statements of the Authority. On a pro forma basis, assuming the Company was acquired at the beginning of the prior year, revenues would have been \$163.3 million and \$177.2 million for 1985 and 1984, respectively. Net income is not presented because it would not be meaningful due to the dissimilar nature of the operations of the Company compared to the Authority.

NEW JERSEY TRANSIT CORPORATION

N.J. Transit Corporation was created to acquire, own, operate and contract for the operation of public transportation services. The Corporation receives operating subsidies principally from the State of New Jersey by legislative appropriation and the Federal Government by defined formula grants under the Urban Mass Transportation Administration (UMTA). These grants are used to support the operation of public transportation services. The Corporation provides these services through the operation of bus and commuter rail subsidiaries. During the year ended June 30, 1986, the Corporation received approximately \$153.7 million in operating subsidy from the State of New Jersey. The Corporation cannot issue revenue bonds.

The Corporation's financial statements are presented in accordance with generally accepted accounting principles.

Fixed assets of \$1.2 billion are reported net of \$304.2 million accumulated depreciation, which is provided on a straight-line basis over the estimated useful lives of the fixed assets.

The Corporation receives designated funds from Federal, State and local sources for substantially all capital acquisitions. The receivables for these capital grants and the related contributed capital are recorded when eligible expenditures are incurred on projects funded by such grants. Assets acquired in connection with capital grants are included in fixed assets. Certain grants require a State or local match at an agreed percent of total project costs.

The Corporation and the Port Authority of New York and New Jersey are related parties and have entered into an agreement whereby the Port has committed funds up to \$220.0 million to the Corporation for the purchase of buses or bus facilities which would qualify as the local match on certain UMTA capital grants. When purchased, such buses or facilities are leased to the Corporation at no cost for a period approximating their useful life.

Fixed assets include approximately \$152.0 million at

June 30, 1986 for the cost of buses purchased by the Port Authority and leased to Corporation at no cost.

As of June 30, 1986, the Corporation had made commitments of approximately \$84.0 million for fiscal year 1987 operating expenditures and the Corporation was committed for future capital expenditures of approximately \$202.9 million. Funding for such projects is dependent upon the availability of future Federal and State funding.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

The New Jersey Transportation Trust Fund Authority was created to provide the payment for and financing of all, or a portion of, the costs incurred by the State Department of Transportation for the planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of the State's transportation system. The Authority's financial statements are presented in accordance with generally accepted accounting principles.

The Authority's most significant asset, investments of \$242.5 million are stated at cost, which approximates market. Pursuant to a contract signed with the State of New Jersey, the Authority will receive revenues during the fiscal year ending June 30, 1987 from two sources: Toll road authorities and state appropriations from increased motor fuel taxes. Revenues in the amount of \$24.5 million and \$118.0 million, respectively, have been guaranteed by the State to the Authority under provisions of the contract. The State has also pledged \$500 thousand in additional appropriations to the Authority for the fiscal year ending June 30, 1987.

During the fiscal year ended June 30, 1986 the Authority had total revenues of \$172.8 million which included \$128.0 million from motor fuel taxes and \$25.0 million from toll road authorities.

The Authority's primary liability is bonds payable of \$56.6 million. Transportation System Bonds payable at June 30, 1986 is composed of the January 15, 1985 issue of \$61.3 million of Series A Bonds, maturing sequentially from December 15, 1985 through December 15, 1994 at interest rates ranging from 4.75% to 8.00%. The bonds are primarily secured by payments received by the Authority from the State of New Jersey.

NEW JERSEY TURNPIKE AUTHORITY

The Authority was established to construct, maintain, repair, and operate turnpike projects at locations established by law. The Authority presently operates the New Jersey Turnpike.

The accounts of the Authority are maintained in accordance with the provisions of its bond resolutions. The financial statements of the Turnpike Authority differ from generally accepted accounting principles insofar as; they do not include a provision for de-

preciation of the Turnpike and related facilities, cost of major repairs and equipment replacements are not capitalized, costs and expenses are recorded when paid and income on investments is recorded when received.

The Turnpike's principal asset, investments (in millions), at December 31, 1985 consisted of the following:

U.S. Government Obligations	\$2,015.6
Certificates of Deposit	35.3
Repurchase Agreements	43.7
Other Investments	3.6
	<u>\$2,098.2</u>

Investments are carried at cost, which approximates their market value. Other investments include life insurance bonds purchased under the provisions relating to the Employees' Deferred Compensation Plan.

On November 21, 1985, the Authority issued \$2.0 billion of Turnpike Revenue Bonds, 1985 Series Bi-Modal Multi-Term Format Bonds (the 1985 Bonds or Priority Bonds). Under the Bi-Modal Multi-Term Format (BMTF) structure, the Authority issued all the Bonds necessary to finance the 1985-1990 widening program (currently estimated to cost \$1.7 billion) at one time. Initially, proceeds of the Bond sale were invested in government securities and deposited into an Escrow Account within the Construction Fund. As funds are needed for construction, monies will be transferred out of the Escrow Account and into the Widening Program Construction Account (both accounts are contained within the Construction Fund). The Authority will not begin to pay debt service from revenues until such funds are utilized for construction.

The 1985 Bonds have 2 modes while they are outstanding: Mode 1 and Mode A. These modes differ with respect to primary security and format. Initially, \$2 billion of Bonds were issued as Mode 1 Bonds and \$1 million of Bonds were issued as Mode A Bonds.

When Bonds are in Mode 1, the primary security as to principal and interest payments are monies held in the Escrow Account. As the Authority makes funds available for construction, the Mode 1 Bonds will be converted to Mode A Bonds. The primary security for Mode A Bonds are the Authority's toll revenues.

Bonds in Mode 1 have tender dates ranging from one week to July 2, 1990. On these tender dates, the bonds may be redeemed or converted to Mode A Bonds, at the discretion of the Authority. Bonds converted to Mode A will have varying maturity dates ranging to January 1, 2018.

On September 13, 1984, the Authority issued \$501.8 million of Turnpike Revenue Bonds, 1984 Series (the 1984 Bonds), for the purpose of refunding the Authority's outstanding 1966 Turnpike Revenue Bonds

and 1977 Turnpike System Revenue Bonds, having outstanding principal amounts aggregating \$538.0 million and \$186.9 million, respectively. The Turnpike Revenue Bonds, 1984 Series represents the entire amount of debt outstanding at December 31, 1984.

The 1984 Bonds are term bonds which mature as follows: \$249.0 million due January 1, 2003 with interest at 10.375% per annum; \$69.2 million due January 1, 2005 with interest at 12% per annum; \$132.5 million due January 1, 2009 with interest at 6¾% per annum; and \$51.0 million due January 1, 2014 with interest at 7% per annum. The bonds are collateralized by the proceeds of the sale of the 1984 Bonds, all revenue, and all amounts on deposit in funds established by the resolution other than the State Payment Fund and the Construction Fund. Such lien is subordinate to the lien and pledge of net revenues for any Priority Bonds which may be issued pursuant to the Resolution. The bonds are not a debt or liability of the State of New Jersey.

Toll revenues of \$162.4 million accounted for 90% of the Turnpike's total revenues during 1985. Expenses related directly to this revenue accounted for \$30.8 million or 33% of total operating expenses, whereas expenses for maintenance, repair, replacement and reconstruction accounted for \$24.5 million or 26% of total operating expenses.

Under the terms of an agreement dated April 27, 1984, the Authority has agreed to make annual payments to the State of New Jersey to assist in transportation purposes (see Transportation Trust Fund Authority). These payments, which aggregate \$12 million annually, are due for a period of 20 years from the agreement date. The payments to the State are subordinate to the 1985 Turnpike Revenue Bonds and the 1984 Turnpike Revenue Bonds.

NEW JERSEY WATER SUPPLY AUTHORITY

The Authority was established to plan, finance, construct, and operate a State water supply system and associated facilities.

The financial statements of the Authority are presented in accordance with generally accepted accounting principles.

The Authority's principal asset, fixed assets (utility plant), is stated at cost and consists primarily of amounts expended to license, construct, acquire, complete and place in operation the projects of the Authority. Depreciation is provided on the straight-line basis over the estimated useful lives of the various classes of the plant.

Investments, \$72.5 million at June 30, 1986, are carried at cost which approximates market. Investments consist primarily of money market funds with variable interest rates.

The Authority's most significant liability at June 30,

1986 was its bond payable obligation. On December 16, 1985, the Authority adopted a Resolution authorizing issuance of variable rate demand bonds up to \$72.0 million to finance the construction of a 740 acre reservoir on the Manasquan River. Pursuant to the terms of the Indenture of Trust with Chemical Bank (Trustee), the Authority issued \$66.2 million of the authorized bonds on December 27, 1985. As of June 30, 1986 the interest rates being paid on such demand bonds ranged between 3.75% to 4.75% with maturity dates ranging from July 1, 1986 through November 3, 1986. The maximum maturity dates of the bonds under the current variable rate mode are 180 days after the applicable date of issuance. The terms of the Indenture provide for conversion to an annual maturity period or a fixed rate mode. It is the intention of the Authority to renew the outstanding bonds each maturity date until fiscal year 1990, when it is anticipated the Manasquan Project will be completed. The Authority has the option to issue fixed rate long-term bonds as of June 30, 1987 (the date when construction of the reservoir is anticipated to commence).

Pledged as collateral for the variable rate demand bonds is a letter of credit from a major bank supported by an agreement between the Authority and the State of New Jersey authorizing the \$72.0 million of additional appropriations under the Water Supply Bond Act of 1981 to be used as support for payment under the letter of credit, if required.

The Authority also has a contractual obligation to retire the remaining principal and interest associated with the 1958 and 1969 State bond issues. The bonds bear interest at 3.27% and 5.41%, respectively. In addition, the Authority obtained a loan of \$19.6 million from the State of New Jersey against the \$20,550,000 appropriated under the Water Supply Bond Act of 1981. The loan bears interest at an average rate of 7.30%. Aggregate maturities of bond and loan principal and interest (dollars in thousands) as of June 30, 1986 are as follows:

1987	\$ 2,821
1988	3,159
1989	2,438
1990	2,624
1991	2,620
1992 through 2007	38,386
Total principal and interest	52,048
Less, amounts representing interest	22,625
Principal amount due to State of New Jersey	<u>\$29,423</u>

The Authority has no obligation to repay the 1976 and 1980 bond proceeds as these issues were considered to be contributed capital.

SOUTH JERSEY PORT CORPORATION

The Port Corporation was established to acquire, construct, rehabilitate, improve, operate and maintain marine terminals in the South Jersey Port District, which includes Mercer, Burlington, Camden, Gloucester, Salem, Cumberland and Cape May counties.

The accounts of the Port Corporation are maintained in accordance with the provisions of its bond resolutions. The financial statements of the Corporation differ from generally accepted accounting principles insofar as depreciation has not been recognized as an expense, nor have the purchases of fixed assets from the Operating Fund been capitalized.

The Corporation's most significant asset, fixed assets (Port facilities) of \$46.8 million, is stated at original cost. The Port facilities include two Marine Terminals—Beckett Street Terminal and Broadway Terminal.

According to the bond resolutions of the Corporation, a reserve fund must be maintained in order to provide the necessary funds to meet debt service obligations should revenues be insufficient. In addition, the Corporation is required to maintain a tax reserve fund in order to provide for the payment of amounts due to local governments in lieu of property taxes. To the extent that these reserve funds are not adequately funded, the laws of New Jersey require an annual appropriation be made by the Governor and paid to the Corporation for deposit in said funds. The amount to be appropriated is based on an annual certification by the Corporation's Chairman to the Governor on or before December 1.

On December 2, 1985, the Chairman certified to the Governor that the Corporation anticipated it would be able to provide sufficient funds from operations for debt service and would, therefore, not require a State appropriation for the reserve fund; however, \$1.6 million was required to provide an amount equal to the property tax reserve. Likewise, \$1.6 million was received during January, 1985 from the State of New Jersey to fund the property tax reserve as a result of the 1984 certification.

During 1985, the Port Corporation issued \$28.6 million of Marine Terminal Revenue Bonds for the purpose of refunding the outstanding debt (Series A and B) which was \$29.2 million at the time. Approximately \$26.2 million is held in trust for the payment of the refunded debt. These funds are primarily invested in Treasury Bonds (State and Local Government Series) at rates of interest sufficient to pay the principal and interest as it becomes due. This debt is considered defeased and as such the debt and related assets held in trust are properly not included in the balance sheet. This refunding created a gain of \$1.3 million.

OTHER INFORMATION

Fixed assets are comprised of the following (in thousands):

	Cost of Investment in Facilities	Land and Land Improve- ments	Buildings	Equipment	Accum- ulated Depre- ciation	Total (Net)
Hackensack Meadows Development Commission	\$ —	\$ 1,922	\$ 16,348	\$ 4,153	\$ 8,511	\$ 13,912
New Jersey Building Authority	—	3,733	55,840 ¹	—	—	59,573
New Jersey Economic Development Authority	—	—	—	1,054	566	488
New Jersey Casino Reinvestment Development Authority	—	—	—	—	—	—
New Jersey Educational Facilities Authority	—	—	—	40	18	22
New Jersey Expressway Authority	57,352	—	—	—	—	57,352
New Jersey Health Care Facilities Financing Authority	—	—	—	325	145	180
New Jersey Highway Authority	797,538	—	—	—	—	797,538
New Jersey Housing and Mortgage Finance Agency	—	—	—	966	494	472
New Jersey Sports and Exposition Authority	419,941	92,118	—	—	100,873	411,186
New Jersey Transit Corporation	—	—	799,300 ¹	740,068	304,200	1,235,168
New Jersey Transportation Trust Fund Authority	—	—	—	—	—	—
New Jersey Turnpike Authority	1,418,800	—	—	—	—	1,418,800
New Jersey Water Supply Authority	—	71,936	10,241 ¹	1,641	10,517	73,301
South Jersey Port Corporation	—	16,942	22,064	7,783	—	46,789
	<u>\$2,693,631</u>	<u>\$186,651</u>	<u>\$903,793</u>	<u>\$756,030</u>	<u>\$425,324</u>	<u>\$4,114,781</u>

(1) Includes construction in progress.

Certain Authorities issue their own revenue bonds and bond anticipation notes. Bond anticipation notes are generally repaid from the proceeds of revenue bonds to be issued from the renewal of the notes, Federal or State aid or other sources relative to the purpose of the issuance. Revenue bonds, except as

disclosed are not obligations of the State of New Jersey and have interest rates ranging from 3.2% to 13.75%. Interest rates for bond anticipation notes ranged from 3.375% to 11%. Changes in outstanding bonds and notes (in thousands) were as follows:

	Outstanding Beginning of Year	Issued	Redeemed	Outstanding End of Year
Hackensack Meadowlands Development Commission	\$ 3,661	\$ 11,588	\$ 2,719	\$ 12,530
New Jersey Building Authority	157,120	—	15,028	142,092
New Jersey Reinvestment Development Authority	—	—	—	—
New Jersey Economic Development Authority	4,000	—	2,787	1,213
New Jersey Educational Facilities Authority	323,811	201,113	61,944	462,980
New Jersey Expressway Authority	17,325	28,260	355	45,230
New Jersey Health Care Facilities Financing Authority	1,983,739	915,415	75,168	2,823,986
New Jersey Highway Authority	275,545	—	—	275,545
New Jersey Housing and Mortgage Finance Agency	2,518,612	505,619	211,514	2,812,717
New Jersey Sports and Exposition Authority	412,008	335,123	333,718	413,413
New Jersey Transit Corporation	—	—	—	—
New Jersey Transportation Trust Fund Authority	61,270	—	4,635	56,635
New Jersey Turnpike Authority	501,825	2,001,000	—	2,502,825
New Jersey Water Supply Authority	19,942	1,143,188	1,097,422	65,708
South Jersey Port Corporation	29,233	28,595	29,233	28,595
	<u>\$6,308,091</u>	<u>\$5,169,901</u>	<u>\$1,834,523</u>	<u>\$9,643,469</u>

Debt service requirements to maturity for revenue bonds and notes are as follows (in thousands):

First Year	\$ 155,202
Second Year	79,437
Third Year	83,483
Fourth Year	87,863
Fifth Year	85,348
Thereafter	9,152,136
	<u>\$9,643,469</u>

The following schedule details bonds that were either legally defeased or were defeased in-substance at each Authority's year end.

Proceeds from the bond issues and, in some instances, monies available from the Authorities were used to purchase direct obligations of the United States Government which are held in trust for the payment of the bonds. The U.S. Government obligations are scheduled to mature at such times and in such amounts so that sufficient monies will be available to pay the principal and interest on the bonds when due.

New Jersey Building Authority

1981 Series Bonds—\$129,040,000
1982 Series Bonds—\$155,720,000

New Jersey Educational Facilities Authority

Saint Peter's College, 1975 Series B—\$5,970,000

Jersey City State College, Series 1975 A—
\$7,235,000

Montclair State College, Series 1982 B—\$15,980,000

Montclair State College, Series 1982 C—\$ 8,245,000

Stockton State College, Series 1980 B—\$9,620,000

Stockton State College, Series 1981 D—\$3,780,000

William Paterson College, Series 1981 A—
\$12,320,000

Kean College of N.J., Series 1981 E—\$4,105,000

Glassboro State College, Series 1985 E—\$1,540,000

New Jersey Expressway Authority

Atlantic City Expressway Revenue Bonds, Series A
and B—\$21,815,000

New Jersey Health Care Facilities Financing Authority

Public Issues:

Community Hospital Group, Inc.,
Series A \$ 8,650,000

Chilton Memorial Hospital,
Series A 3,110,000

Helene Fuld Medical Center,
Series A 2,210,000

Shore Memorial Hospital,
Series A 8,375,000

Community Memorial Hospital
Association (Toms River),
Series A 11,905,000

The Overlook Hospital
Association, Series C 18,080,000

Hackensack Hospital, Series A (Currently Hackensack Medical Center)	36,560,000
Burlington County Memorial Hospital, Series A (Currently Memorial Hospital of Burlington County)	42,720,000
Riverview Hospital, Series A	50,450,000
Mercer Medical Center, Series B	13,770,000
Monmouth Medical Center, Series A	17,650,000
Our Lady of Lourdes Medical Center, Series A	8,600,000
St. Francis Hospital, Series A	20,580,000
Chilton Memorial Hospital, Series B	36,550,000
Warren Hospital, Series A	10,880,000
West Jersey Health Systems, Series A	68,775,000
Hackensack Medical Center, Series 1982 A & B	45,770,000
Dover General Hospital, Series B	35,450,000
Passaic General Hospital, Series A	54,495,000
Community Hospital Group Inc., Series C	15,720,000
Warren Hospital, Series B	1,520,000

Private Issues:

Community Hospital Group, Inc., Series B	400,000
Dover General Hospital and Medical Center, Series A	2,400,000
John F. Kennedy Memorial Hospital, Series A	3,810,000
Zurbrugg Memorial Hospital, Series A	4,460,000
Burdette Tomlin Memorial Hospital, Series A	3,465,000
St. Peter's Medical Center, Series A	4,784,000
Bridgeton Hospital Association, Series A	3,333,000
The Society of The Valley Hospital, Series A	3,945,000
Burlington County Memorial Hospital, Series B	4,650,000
Morristown Memorial Hospital, Series A	21,160,000

New Jersey Highway Authority

Junior Revenue Bonds, Series 1, \$40,000,000
Parkway Refunding Revenue Bonds, 1978 Series, \$82,640,000

New Jersey Sports and Exposition Authority

Sports Complex, 1974 Series Bonds, \$54,825,000
Sports Complex, 1978 Series Refund Bonds, \$270,465,000
Sports Complex, 1983 Series Subordinated Refunding Bonds, \$39,735,000

New Jersey Turnpike Authority

1966 Turnpike Revenue Bonds, \$537,982,000
1977 Turnpike System Revenue Bonds, \$186,855,000

The employees of the various Authorities are generally covered by the Public Employees' Retirement System of New Jersey (PERS). This pension system was established by an act of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by state legislation. Contribution to the Retirement System by the Authority is based upon a percentage of the Authority's annual gross wages.

State law requires actuarial valuation every year and actuarial investigation every three years. Such valuations and reviews insure that the program adequately recognizes the additional costs resulting from experience or legislative changes in the benefits to be paid.

The State law also provides that any changes in pension fund benefits must be approved by the Legislature, and that each bill submitted to the Legislature must be accompanied by a fiscal memorandum stating the cost of the proposal. State law provides that pension fund benefits are not subject to negotiation between the public employers and the employee members of the plan.

New Jersey Transit Corporation and its subsidiaries have sponsored plans covering substantially all employees; certain employees are covered by PERS or the Railroad Retirement Fund. Contributions to the sponsored plans are based on an accepted projected benefit actuarial cost method which maintains contributions at a relatively level percentage of payroll.

A comparison of the actuarial present value of accumulated plan benefits and the market value of net assets available for plan benefits of NJ TRANSIT Corporation sponsored plans as of the most recent valuation dates (dollars in millions) is presented below:

	1986	1985
Actuarial present value of accumulated plan benefits:		
Vested	\$65.1	\$53.0
Nonvested	20.3	15.5
Total	<u>\$85.4</u>	<u>\$68.5</u>
Market Value of Net Assets Available for Plan Benefits	<u>\$64.3</u>	<u>\$43.2</u>

(B) UNIVERSITY FUND

Transactions related to the financial activities of Rutgers, the State University, the New Jersey Institute of Technology, and the University of Medicine and Dentistry (Universities) are accounted for in the University Fund. The University of Medicine and Dentistry operates a hospital in addition to the University. The financial statements of this fund have been prepared in accordance with the American Institute of Certified Public Accountants' "Industry Audit Guide—Audit of Colleges and Universities" and, accordingly, are presented in a separate column in the combined balance sheet.

Basis of Accounting

The accounts of the universities are maintained and reported on the accrual basis of accounting.

Fund Accounting

The financial activities of the universities are recorded in funds which classify the various transactions by specified activities or objectives. Fund balances of such funds are reported as reserved for higher education programs and higher education general endowment and similar funds.

Unrestricted revenue is accounted for in the current unrestricted fund. Restricted gifts, grants, endowment income and other restricted resources are accounted for in the current restricted fund, loan funds, endowment and similar funds and plant funds. Revenue and expenses are reported in the current restricted fund when financial resources are used for the current operating purposes for which they have been provided. Transactions related to the various student loan programs operated by the universities are accounted for in loan funds. Resources dedicated to the acquisition and investment in property, plant and equipment are accounted for in the plant funds. To the extent current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt amortization and interest and equipment renewals and replacements; and (3) transfers of a nonmandatory nature in all other significant cases.

General endowment funds are subject to the restrictions of gift instruments requiring the principal be invested in perpetuity and only the income be utilized. Term endowment funds are similar to general endowment funds except, upon the passage of a stated period of time or the occurrence of a particular event, all or part of the principal may be expended. Quasi-endowment funds have been established for the same purposes as general endowment funds, except any portion of quasi-endowment funds may be expended.

Investments

Investments of the universities are stated at cost, adjusted for amortization of premiums and accretion of discounts.

Patient Service Revenues

Patient revenues, which were \$86.7 million during 1986, are recognized at the time of service, net of allowances applicable to third-party payers, charity and bad debts in the amount of \$56.9 million.

Accounts and Notes Receivable

An allowance for doubtful receivables is provided for estimated losses expected to be incurred in collection. The estimated losses are based on historical collection experience and a review of the status of existing receivables.

Inventories

Inventories are stated at the lower of cost, using the first-in, first-out method, or market.

Plant

Property, plant and equipment are stated principally at cost at date of acquisition or fair value at date of donation in the case of gifts. Consistent with generally accepted accounting principles for colleges and universities, depreciation is not provided for the cost of plant assets.

The University of Medicine and Dentistry's Plant Funds include University Hospital and several smaller facilities which were financed by a \$120.0 million State of New Jersey General Obligation Medical Educational Facilities Bond Issue (Bond Issue). Because this Bond Issue is an obligation of the State of New Jersey, it is not reflected on the University's balance sheet. The book value of University Hospital includes approximately \$20.5 million of capitalized interest costs which were paid by the State.

Operating Transfers from State's General Fund

A substantial portion of the University Fund's current unrestricted expenses, including current payments for retirement costs and fringe benefits, are funded through appropriations from the general fund at the time the expenses are encumbered or paid.

Included in current unrestricted fund expenses and operating transfers from the State's general fund is \$74.2 million, which represents the amount of pension and fringe benefits costs paid during the 1986 fiscal year by the State of New Jersey on behalf of the Higher Education and University Hospital fund.

NOTES PAYABLE

Rutgers, the State University had notes payable outstanding at June 30, 1986 as follows:

Installment loan payable to bank, due in monthly installments of \$2,056, including interest at 5% per annum, final installment due July 3, 1992	\$ 129,184
Installment loan payable to several participating lending institutions, due in quarterly installments of \$73,425, plus interest at 3.5% per annum, final installment due July 1, 1986	73,425
Installment loan payable to bank, due in monthly installments of \$3,798, including interest at 5.5% per annum, final installment due January 10, 1989	109,533
Installment loan payable to bank, due in quarterly installments of \$10,675, plus a variable rate of interest, 5.1% at June 30, 1986, and final installment due September 30, 1992	266,875
Installment loan payable to bank, due in quarterly installments of \$18,438, plus a variable rate of interest, 6.0% at June 30, 1986, final installment of \$1,094,000 due December 31, 1988	1,259,896
Advance payable to the New Jersey Sports and Exposition Authority, to be repaid prior to April 1, 1988 from a percentage of television and bowl appearance revenues; beginning April 1, 1988, remaining principal will be repaid in twelve annual installments with interest at a rate to be negotiated prior to September 1, 1987	1,418,300
TOTAL	<u><u>\$3,257,213</u></u>

Rutgers, the State University, has an unsecured \$10.0 million line of credit with a bank which is to be used for interim financing of construction projects. At June 30, 1986, the University had not borrowed any funds against the line of credit.

The New Jersey Institute of Technology had notes outstanding at June 30, 1986 in the amount of \$544 thousand. The terms of the notes provide for payment of interest at annual rates of 5% to 12%. The notes require monthly payments of principal and interest for various five to seven year periods.

BONDS PAYABLE

Rutgers, the State University entered into an open-ended indenture dated May 1, 1967 to provide a means of financing construction of auxiliary enterprise facilities and to consolidate previously outstanding bond indebtedness. Under the terms of the indenture, all bonds issued are direct and general obligations of the University and are in no way an obligation of the State of New Jersey. All revenues from auxiliary enterprise

facilities constructed from the proceeds of the bonds together with revenues from certain other such facilities are pledged to secure the indebtedness and must be applied to (1) annual interest and amortization payments, (2) debt service reserve deficiency, if any, (3) operating and maintenance expenses, and (4) the funding of repair and replacement reserves. The excess of funds, after satisfying these requirements, is available to the University. The University has covenanted that so long as the bonds are outstanding, it will not incur any other indebtedness secured by a pledge of the facility revenues, nor sell, mortgage or otherwise dispose of such facilities.

A summary of bonds issued and outstanding for Rutgers, the State University (in thousands) at June 30, 1986 is as follows:

	Date of Series	Original Amount	Outstanding June 30, 198
Revenue refunding bonds:			
Series A, 3½%, due serially to May 1, 2001	5/1/67	\$ 5,025	\$ 3,310
Series B, 2¾%, due serially to May 1, 1999	5/1/67	575	315
Series C, 2¾%, due serially to May 11 1999	5/1/67	2,190	1,120
Series D, 4.4% effective, due serially to May 1, 1999	5/1/67	1,920	545
		<u>9,710</u>	<u>5,290</u>
Revenue bonds:			
Series E, 3¾%, due serially to May 1, 2016	5/1/67	1,200	975
Series F, 3%, due serially to May 1, 2016	11/1/67	2,350	1,830
Series G, 7% effective, due serially to May 1, 2005	11/1/69	13,600	11,230
Series H, 5.9% effective, due serially to May 1, 2007	11/1/70	8,300	6,960
Series I, 6.7% effective, due serially to May 1, 2001 and term bonds due May 1, 2011	11/1/75	24,800	22,305
Series J, 5.8% effective, due serially to May 1, 2003 and term bonds due May 1, 2013	11/1/76	11,200	10,205
Series K, 6.68% effective, due serially to May 1, 2004 and term bonds due May 1, 2014	11/1/77	7,635	7,100
Series L, 9.70% effective, due serially to May 1, 2003 and term bonds due May 1, 2013	5/1/83	5,400	5,290
Series M, 10.13% effective, due serially to May 1, 2001 and term bonds due May 1, 2016	11/1/84	28,500	28,500
		<u>102,985</u>	<u>94,395</u>
General obligations bonds:			
Series 1, 7.63% effective, due serially to May 1, 2001 and term bonds due May 1, 2015	5/1/86	10,100	10,100
Total		<u>\$122,795</u>	<u>\$109,785</u>

Debt service payments by Rutgers, the State University (net of interest subsidy on Series H Bonds of \$69,381) applicable to Series A through L and N and Series 1 due over the next five years are as follows:

Fiscal Year	Series A—L, N		Series 1		Total
	Principal	Interest	Principal	Interest	
1987	\$ 1,860,000	\$ 6,153,999	\$ —	\$ 649,785	\$ 8,663,784
1988	2,005,000	6,874,624	—	749,752	9,629,376
1989	2,125,000	6,754,431	135,000	749,752	9,764,183
1990	2,235,000	6,627,213	140,000	742,462	9,744,675
1991	2,375,000	6,501,574	150,000	734,482	9,761,056
Total	\$10,600,000	\$32,911,841	\$425,000	\$3,626,233	\$47,563,074

The New Jersey Institute of Technology has two loan agreements with an agency of the State of New Jersey. The proceeds of these loans are being used to finance various institute construction and renovation projects.

The bond repayments are as follows:

Fiscal Year	1982 10% Series A	1982 10% Series F	Total
1987	\$845,000	\$ 175,000	\$1,020,000
1988	—	190,000	190,000
1989	—	205,000	205,000
1990	—	220,000	220,000
1991	—	240,000	240,000
Thereafter	—	4,890,000	4,890,000
Total	\$845,000	\$5,920,000	\$6,765,000

In December 1985, the University of Medicine and Dentistry issued Series A bonds in the amount of \$12,335,000 which will be used to jointly finance the construction costs of the Center for Advanced Biotechnology and Medicine with Rutgers University. These bonds are secured by pledged revenue which include all tuition revenues received by the University, any appropriation from the State identified to pay debt service on the Series A bonds and other revenue identified under the Bond Resolution. The principal maturities of these bonds include \$7,240,000 due serially to 2000 with interest rates of 5.75% to 8.70% and term bonds of \$5,095,000 at an interest rate of 8.9% due in 2005. The principal payments due over the next five years are as follows:

December 1, 1986	\$ 285,000
December 1, 1987	305,000
December 1, 1988	320,000
December 1, 1989	345,000
December 1, 1990	365,000
Subsequent to 1990	10,715,000
	<u>\$12,335,000</u>

In August 1986, subsequent to the annual accounting report for the fiscal year ended June 30, 1986, the University of Medicine and Dentistry issued Series B bonds in the amount of \$56,840,000 to finance the

construction costs of a cogeneration plant, a parking garage facility and other capital projects on the University campuses. These bonds were issued on a parity with the Series A bonds and are secured by the provisions of the General Bond Resolution, which include the pledged revenues of the Series A issue along with the revenues from the operation of a proposed parking garage facility.

Capitalized Lease Obligation

Pursuant to the terms of a lease and agreement dated September 1, 1971 between Rutgers, the State University and the New Jersey Educational Facilities Authority ("Authority"), the University transferred to the Authority title to certain land, upon which dormitories have been constructed.

In 1974, the Authority issued bonds in the aggregate amount of \$6.7 million at an effective interest cost of 5.95% per annum, for the purpose of providing long-term financing for the aforementioned facilities. Such bonds mature serially through 2008. In accordance with the agreement, the University is required to pay an annual rental to the Authority over the life of the agreement in amounts necessary to retire the bonds, including interest, provide sinking fund and reserve account requirements and reimburse the Authority for its administrative costs. As security for its obligation under the agreement, the University has pledged the

revenues arising from the financed facilities. Upon retirement of the bonds, title to the land and facilities will revert to the University; accordingly, the land and facilities have been capitalized with a corresponding liability entitled "Capitalized Lease Obligation." At June 30, 1986, this liability is \$5.6 million.

The University has entered into certain lease-purchase agreements for equipment which are principally for a duration of one to five years depending on the application and financial advantage to the University. Such agreements are essential to the normal operation of the University and it is expected that these arrangements, where applicable, would be renegotiated when financially advantageous to the University. The payments of these agreements include a charge for interest at various rates depending on each agreement. At June 30, 1986, the liability which excludes future interest payments is \$2.3 million.

Self-Insurance Reserve Fund

The University has established a fund in the State of New Jersey Department of the Treasury known as the "University of Medicine and Dentistry of New Jersey Self-Insurance Reserve Fund" to replace its professional and comprehensive general liability insurance coverage which was previously purchased commercially. Coverage applies to the University's medical facilities and schools, the employed medical staff, residents, students, employees, agents and authorized volunteers, pursuant to and in accordance with the Tort Claims Act statutory requirements. Monies in the fund, existing commercial excess liability insurance coverage and coverage provided by the State of New Jersey Tort Claims Act, will be used to meet the cost of any medical malpractice and hospital operations claims assessed against the University, including the respective individual units.

An actuarial valuation was performed as of October 31, 1985 to assess the adequacy of the reserve for self-insurance. The valuation indicated that the University's reserve appeared to be adequate for funding potential liability claims as of June 30, 1986. The State has the ultimate liability for any claims, therefore, no liability has been reflected by the University for possible claims in excess of the reserve fund.

NOTE 21—JOINT VENTURES

Joint ventures are independently constituted entities generally created by two or more governments for a specific purpose such as contracting and maintaining an interstate bridge. Pursuant to current financial reporting standards, the State does not record its equity in joint ventures. The only significant joint venture in which the State of New Jersey participates is the Port Authority of New York and New Jersey. Other joint ventures are immaterial.

The Port Authority is a municipal corporate instrumentality of the States of New York and New Jersey

created by compact between the two states in 1921 with the consent of the Congress of the United States. It is authorized and directed to plan, develop and operate terminals and other facilities of transportation and commerce, and to advance projects in the general fields of transportation, economic development, and world trade that contribute to promoting and protecting the commerce and economy of the Port District, defined in the compact, which comprises an area of about 1,500 square miles in both states, centering about New York Harbor.

The Governor of each state appoints six of the twelve members of the governing Board of Commissioners, subject to confirmation by the respective State Senate. Each governor has from time to time exercised the statutory power to veto the actions of the commissioners from his state.

The commissioners serve six-year overlapping terms as public officials without compensation. They establish Authority policy, appoint an Executive Director to implement it, and also appoint a General Counsel to act as legal advisor to the Board and to the Executive Director. The Authority undertakes only those projects authorized by the two states.

The compact envisions the Port Authority as being financially self-sustaining and, as such, it must obtain the funds necessary for the construction or acquisition of facilities upon the basis of its own credit, its reserve funds and its future revenues. The agency has neither the power to pledge the credit of either state or any municipality nor to levy taxes or assessments.

Consolidated financial statements for the Port Authority for the fiscal year ended December 31, 1985 disclosed the following (in thousands):

Financial Position

Total Assets	\$5,046,308
Total Liabilities	3,091,810
Net Assets	\$1,954,498

Operating Results

Operating Revenues	\$1,100,840
Operating Expenses	859,843
Depreciation and Amortization	159,331
Income from Operations	81,666
Financial Income (Expense), Net	(23,172)
Income Before Extraordinary Gain	58,494
Extraordinary Gain—Purchase of Port Authority Bonds in Connection with Sinking Fund Requirements	4,851
Extraordinary Gain—Insurance Proceeds	—
Net Income	\$ 63,345

Changes in Net Assets

Balance, January 1, 1984	\$1,868,547
Net Income	63,345
Federal Contributions for Airport Construction	22,606
Balance, December 31, 1985	\$1,954,498

Except for Special Project Bonds, the Authority's debt is secured by its full faith and credit, its reserve funds or a pledge of future revenues. Special Project Bonds are secured by a mortgage on the financed properties. At December 31, 1985, Port Authority debt consisted of the following (in thousands):

General and Refunding Bonds	\$ 642
Consolidated Bonds	2,515,175
Consolidated Notes	100,000
Special Project Bonds	96,500
	<u>2,712,317</u>
Less: Amortized Cost of Purchased Bonds	(39,749)
Unamortized Discount	(17,102)
Total	<u>\$2,655,466</u>

COMBINING FINANCIAL STATEMENTS

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SPECIAL REVENUE FUNDS

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1986**

	<u>Alcohol Education, Rehabilitation & Enforcement Fund</u>	<u>Beaches And Harbor Fund</u>	<u>Boarding House Rental Assistance Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ —	\$ 670	\$ 616
INVESTMENTS	—	4,536,888	—
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	—	—	—
Departmental accounts	—	—	—
Loans	—	—	—
Other	31,247	484,200	—
OTHER ASSETS			
Due from other funds	12,293,928	3,637,115	1,591,049
Deferred charges	—	—	—
Other	—	—	—
Total Assets	<u>\$12,325,175</u>	<u>\$8,658,873</u>	<u>\$1,591,665</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 5,021,206	\$ 20,250	\$ —
Deferred revenue	—	—	—
Due to other funds	—	703,261	—
Advances from other funds	—	—	—
Other	—	25,085	—
Total Liabilities	<u>5,021,206</u>	<u>748,596</u>	<u>—</u>
FUND BALANCES			
Reserved for:			
Encumbrances	315,589	47,332	—
Other	—	4,536,888	—
Unreserved:			
Designated for continuing appropriations	—	2,747,821	—
Undesignated	6,988,380	578,236	1,591,665
Total Fund Balances	<u>7,303,969</u>	<u>7,910,277</u>	<u>1,591,665</u>
Total Liabilities and Fund Balances	<u>\$12,325,175</u>	<u>\$8,658,873</u>	<u>\$1,591,665</u>

<u>Casino Control Fund</u>	<u>Casino Revenue Fund</u>	<u>Clean Waters Fund</u>	<u>Clients' Security Fund</u>	<u>Emergency Flood Control Fund</u>
\$ —	\$ —	\$ —	\$ 59,456	\$ 516
—	—	—	3,420,383	—
—	—	—	—	—
5,599,752	2,107,827	10,592,444	—	—
—	—	—	—	—
—	—	—	—	—
73,110	153,100,890	11,222,454	—	6,279,654
—	—	—	—	—
—	—	—	—	—
<u>\$5,672,862</u>	<u>\$155,208,717</u>	<u>\$21,814,898</u>	<u>\$3,479,839</u>	<u>\$6,280,170</u>
\$5,646,542	\$ 6,769,493	\$ 382,294	\$ 68,547	\$ —
—	—	—	—	—
—	—	2,077,597	—	700,103
—	—	—	—	—
—	—	—	—	—
<u>5,646,542</u>	<u>6,769,493</u>	<u>2,459,891</u>	<u>68,547</u>	<u>700,103</u>
2,078,275	23,463,451	6,476,342	—	9,284,770
—	—	10,592,444	44,511	—
—	—	11,266,749	—	7,284,002
(2,051,955)	124,975,773	(8,980,528)	3,366,781	(10,988,705)
26,320	148,439,224	19,355,007	3,411,292	5,580,067
<u>\$5,672,862</u>	<u>\$155,208,717</u>	<u>\$21,814,898</u>	<u>\$3,479,839</u>	<u>\$ 6,280,170</u>

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1986**

	<u>Enterprise Zone Assistance Fund</u>	<u>Farmland Preservation Fund</u>	<u>Green Trust Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 9,185	\$ 2,825	\$ 6,64
INVESTMENTS	—	—	—
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	—	—	—
Departmental accounts	—	—	—
Loans	—	—	1,892,15
Other	—	—	—
OTHER ASSETS			
Due from other funds	621,110	9,500,282	27,261,92
Deferred charges	—	—	—
Other	—	—	10,79
Total Assets	<u>\$630,295</u>	<u>\$9,503,107</u>	<u>\$29,171,52</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ —	\$ —	\$ 594,08
Deferred revenue	—	—	—
Due to other funds	—	604,955	60,74
Advances from other funds	—	—	—
Other	—	—	—
Total Liabilities	<u>—</u>	<u>604,955</u>	<u>654,82</u>
FUND BALANCES			
Reserved for:			
Encumbrances	—	—	11,604,72
Other	—	—	1,902,94
Unreserved:			
Designated for continuing appropriations	—	8,736,187	26,356,70
Undesignated	630,295	161,965	(11,347,69)
Total Fund Balances	<u>630,295</u>	<u>8,898,152</u>	<u>28,516,69</u>
Total Liabilities and Fund Balances	<u>\$630,295</u>	<u>\$9,503,107</u>	<u>\$29,171,52</u>

Gubernatorial Elections Fund	Hazardous Discharge Site Cleanup Fund	Housing Assistance Fund	Jobs, Science And Technology Fund	Medical Education Facilities Fund
\$ —	\$ 500,000	\$ 57,504	\$ 99	\$ 332
—	—	—	—	—
—	—	—	—	—
483	—	—	—	—
—	—	8,154,025	—	—
—	302,494	—	—	—
—	—	417,319	2,567,267	798,624
—	—	—	—	—
—	—	—	—	—
<u>\$ 483</u>	<u>\$ 802,494</u>	<u>\$8,628,848</u>	<u>\$2,567,366</u>	<u>\$798,956</u>
\$ 780	\$ —	\$ —	\$ 10,615	\$ 18,676
—	—	—	—	—
2,482,452	—	194,185	559,007	60,580
—	2,820,453	—	—	—
—	—	—	—	—
<u>2,483,232</u>	<u>2,820,453</u>	<u>194,185</u>	<u>569,622</u>	<u>79,256</u>
20,893	—	—	52,185	401,268
—	302,494	8,154,025	—	—
510,039	100,500,000	20,186	1,296,309	312,080
(3,013,681)	(102,820,453)	260,452	649,250	6,352
<u>(2,482,749)</u>	<u>(2,017,959)</u>	<u>8,434,663</u>	<u>1,997,744</u>	<u>719,700</u>
<u>\$ 483</u>	<u>\$ 802,494</u>	<u>\$8,628,848</u>	<u>\$2,567,366</u>	<u>\$798,956</u>

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1986**

	<u>Mortgage Assistance Fund</u>	<u>Natural Resources Fund</u>	<u>New Jersey Local Development Financing Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 7,161	\$ —	\$ 20
INVESTMENTS	—	—	—
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	—	—	—
Departmental accounts	—	—	—
Loans	15,282,769	2,501,105	5,348,921
Other	—	—	—
OTHER ASSETS			
Due from other funds	1,333,901	27,231,691	6,631,327
Deferred charges	—	—	—
Other	—	—	—
Total Assets	<u>\$16,623,831</u>	<u>\$29,732,796</u>	<u>\$11,980,268</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ —	\$ 133,780	\$ 651,750
Deferred revenue	—	—	—
Due to other funds	570,133	2,606,504	3,630
Advances from other funds	—	—	—
Other	—	—	—
Total Liabilities	<u>570,133</u>	<u>2,740,284</u>	<u>655,380</u>
FUND BALANCES			
Reserved for:			
Encumbrances	34,368	10,843,186	793,950
Other	15,282,769	2,501,105	5,348,921
Unreserved:			
Designated for continuing appropriations	96,899	80,954,639	38,428,165
Undesignated	639,662	(67,306,418)	(33,246,148)
Total Fund Balances	<u>16,053,698</u>	<u>26,992,512</u>	<u>11,324,888</u>
Total Liabilities and Fund Balances	<u>\$16,623,831</u>	<u>\$29,732,796</u>	<u>\$11,980,268</u>

New Jersey Spill Compensation Fund	1983 New Jersey Green Acres Fund	Office Of Attorney Ethics	Property Tax Relief Fund	Safe Drinking Water Fund
\$ —	\$ —	\$398,783	\$ —	\$ 9,957
—	—	589,051	—	—
—	91,500	—	—	—
—	—	—	129,086,774	53,746
—	—	—	—	—
1,316,493	—	—	—	—
38,022,571	14,558,498	—	1,943,759	2,597,713
—	—	—	—	—
—	—	—	—	—
<u>\$39,339,064</u>	<u>\$14,649,998</u>	<u>\$987,834</u>	<u>\$131,030,533</u>	<u>\$2,661,416</u>
\$ 3,165,998	\$ 384,705	\$900,425	\$ 3,642,443	\$ 41,688
—	—	—	—	—
1,875,704	1,995,542	—	33,651,480	—
—	—	—	—	—
—	—	—	11,233,975	—
<u>5,041,702</u>	<u>2,380,247</u>	<u>900,425</u>	<u>48,527,898</u>	<u>41,688</u>
11,913,184	1,467,569	—	6,013,559	341,584
16,457	—	—	—	—
—	27,708,132	—	—	—
22,367,721	(16,905,950)	87,409	76,489,076	2,278,144
34,297,362	12,269,751	87,409	82,502,635	2,619,728
<u>\$39,339,064</u>	<u>\$14,649,998</u>	<u>\$987,834</u>	<u>\$131,030,533</u>	<u>\$2,661,416</u>

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1986**

	Sanitary Landfill Facility Contingency Fund	Shore Protection Fund	State Land Acquisition And Development Fund
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 30,524	\$ 354	\$ —
INVESTMENTS	—	—	—
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	—	—	22,860
Departmental accounts	—	—	—
Loans	—	—	—
Other	3,454	—	—
OTHER ASSETS			
Due from other funds	25,941,503	12,498,522	15,130,930
Deferred charges	—	—	—
Other	—	—	—
Total Assets	<u>\$25,975,481</u>	<u>\$12,498,876</u>	<u>\$15,153,860</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ —	\$ 1,871,732	\$ 1,705,520
Deferred revenue	—	—	—
Due to other funds	—	1,649,557	3,135,300
Advances from other funds	—	—	—
Other	—	28,078	—
Total Liabilities	<u>—</u>	<u>3,549,367</u>	<u>4,840,820</u>
FUND BALANCES			
Reserved for:			
Encumbrances	—	1,200,302	35,468,900
Other	—	—	—
Unreserved:			
Designated for continuing appropriations	—	11,941,647	44,687,900
Undesignated	25,975,481	(4,192,440)	(69,843,900)
Total Fund Balances	<u>25,975,481</u>	<u>8,949,509</u>	<u>10,312,900</u>
Total Liabilities and Fund Balances	<u>\$25,975,481</u>	<u>\$12,498,876</u>	<u>\$15,153,860</u>

<u>State Lottery Fund</u>	<u>State Recreation And Conservation Land Acquisition Fund 1971</u>	<u>State Recreation And Conservation Land Acquisition And Development Fund 1974</u>	<u>State Recycling Fund</u>	<u>State Water Development Fund</u>
\$ 1,863,342	\$ —	\$ —	\$ —	\$ 891
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
24,315,308	—	—	1,688	—
46,244,422	2,532,094	14,131,837	10,169,883	351,097
846,894	—	—	—	—
—	—	—	—	—
<u>\$73,269,966</u>	<u>\$2,532,094</u>	<u>\$14,131,837</u>	<u>\$10,171,571</u>	<u>\$351,988</u>
\$27,574,753	\$ 42,061	\$ 10,252	\$ 958,100	\$ —
9,993	—	—	—	—
44,353,272	179,291	1,646,049	681,095	45,857
—	—	—	—	—
—	—	—	—	—
<u>71,938,018</u>	<u>221,352</u>	<u>1,656,301</u>	<u>1,639,195</u>	<u>45,857</u>
1,081,948	571,026	9,729,545	997,367	6,600
250,000	—	—	—	—
—	1,739,716	7,730,090	—	299,531
—	—	(4,984,099)	7,535,009	—
<u>1,331,948</u>	<u>2,310,742</u>	<u>12,475,536</u>	<u>8,532,376</u>	<u>306,131</u>
<u>\$73,269,966</u>	<u>\$2,532,094</u>	<u>\$14,131,837</u>	<u>\$10,171,571</u>	<u>\$351,988</u>

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1986**

	Superior Court Of New Jersey Trust Fund	Transportation Fund	Trial Attorney Certification Program
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 195,673	\$ 233,021	\$ 2,000
INVESTMENTS	154,471,378	—	189,308
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	—	—	—
Departmental accounts	—	—	—
Loans	—	—	—
Other	—	—	—
OTHER ASSETS			
Due from other funds	—	929,826	—
Deferred charges	—	—	—
Other	—	—	—
Total Assets	<u>\$154,667,051</u>	<u>\$1,162,847</u>	<u>\$191,308</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$140,315,470	\$ —	\$ —
Deferred revenue	—	—	—
Due to other funds	220,174	911,998	24,028
Advances from other funds	—	—	—
Other	—	250,849	—
Total Liabilities	<u>140,535,644</u>	<u>1,162,847</u>	<u>24,028</u>
FUND BALANCES			
Reserved for:			
Encumbrances	—	—	—
Other	3,800,000	—	—
Unreserved:			
Designated for continuing appropriations	—	—	—
Undesignated	10,331,407	—	167,281
Total Fund Balances	<u>14,131,407</u>	<u>—</u>	<u>167,281</u>
Total Liabilities and Fund Balances	<u>\$154,667,051</u>	<u>\$1,162,847</u>	<u>\$191,308</u>

Unemployment Compensation Auxiliary Fund	Water Conservation Fund	Water Supply Fund	Worker And Community Right To Know Fund	Total Special Revenue Funds
\$ 148,369	\$ 51,791	\$ —	\$ 21,602	\$ 3,601,338
—	—	—	—	163,207,008
—	—	—	—	114,361
—	—	—	—	136,848,582
—	5,725,850	24,547,534	—	74,044,798
7,930,574	—	—	45,159	34,430,617
17,208,331	4,782,304	32,929,318	3,638,012	508,172,278
—	—	—	—	846,894
—	—	—	—	10,796
<u>\$25,287,274</u>	<u>\$10,559,945</u>	<u>\$ 57,476,852</u>	<u>\$3,704,773</u>	<u>\$921,276,672</u>
\$ —	\$ 200,129	\$ 209,425	\$ 114,984	\$200,455,705
—	—	—	—	9,993
8,715,328	1,799,790	5,493,585	1,177,800	118,179,023
—	—	—	700,000	3,520,453
38,886	—	—	—	11,576,873
<u>8,754,214</u>	<u>1,999,919</u>	<u>5,703,010</u>	<u>1,992,784</u>	<u>333,742,047</u>
—	8,814,611	12,854,055	563,051	156,439,670
—	5,725,850	24,547,534	—	83,005,944
—	37,019,565	212,395,936	—	622,032,368
16,533,060	(43,000,000)	(198,023,683)	1,148,938	(273,943,357)
<u>16,533,060</u>	<u>8,560,026</u>	<u>51,773,842</u>	<u>1,711,989</u>	<u>587,534,625</u>
<u>\$25,287,274</u>	<u>\$10,559,945</u>	<u>\$ 57,476,852</u>	<u>\$3,704,773</u>	<u>\$921,276,672</u>

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Alcohol Education, Rehabilitation & Enforcement Fund	Beaches And Harbor Fund	Boarding House Rental Assistance Fund
REVENUES			
Taxes	\$ 9,271,139	\$ —	\$ —
Federal and other grants	—	—	—
Licenses and fees	—	—	—
Services and assessments	1,219,894	—	—
Investment earnings	731,935	690,981	319,140
Other	—	43,218	—
Total Revenues	11,222,968	734,199	319,140
OTHER INCREASES			
Transfers from other funds	—	—	6,728,112
Proceeds from sale of bonds	—	—	—
Other	—	31,009	—
Total Other Increases	—	31,009	6,728,112
Total Revenues and Other Increases	11,222,968	765,208	7,047,252
EXPENDITURES			
Public safety and criminal justice	2,152,575	—	—
Physical and mental health	9,847,679	—	—
Educational, cultural and intellectual development	—	—	—
Community development and environmental management	—	789,688	8,439,497
Economic planning, development and security	—	—	—
Transportation programs	—	—	—
Government direction, management and control	—	—	—
Special government services	—	—	—
Total Expenditures	12,000,254	789,688	8,439,497
OTHER DECREASES			
Transfers to other funds	—	690,981	171,833
Other	—	—	—
Total Other Decreases	—	690,981	171,833
Total Expenditures and Other Decreases	12,000,254	1,480,669	8,611,330
Net Increase (Decrease) in Fund Balances for the Year	(777,286)	(715,461)	(1,564,078)
FUND BALANCES—JULY 1, 1985	8,081,255	8,625,738	3,155,741
FUND BALANCES—JUNE 30, 1986	\$ 7,303,969	\$7,910,277	\$1,591,663

Casino Control Fund	Casino Revenue Fund	Clean Waters Fund	Clients' Security Fund	Emergency Flood Control Fund
\$ —	\$176,707,149	\$ —	\$ —	\$ —
34,745,448	—	—	1,158,955	—
—	8,922,537	794,067	307,798	501,172
—	—	826,530	—	—
34,745,448	185,629,686	1,620,597	1,466,753	501,172
321,655	—	—	—	—
—	—	3,154,376	—	—
—	—	—	—	—
321,655	—	3,154,376	—	—
35,067,103	185,629,686	4,774,973	1,466,753	501,172
25,904,698	—	—	1,108,875	—
—	34,904,588	—	—	—
—	—	—	—	—
—	—	720,452	—	760,852
—	66,552,085	—	—	—
—	3,255,965	—	—	—
18,463,098	17,900,000	—	—	—
—	—	—	—	—
44,367,796	122,612,638	720,452	1,108,875	760,852
—	5,382,490	2,071,457	—	695,498
—	—	—	—	—
—	5,382,490	2,071,457	—	695,498
44,367,796	127,995,128	2,791,909	1,108,875	1,456,350
(9,300,693)	57,634,558	1,983,064	357,878	(955,178)
9,327,013	90,804,666	17,371,943	3,053,414	6,535,245
\$ 26,320	\$148,439,224	\$19,355,007	\$3,411,292	\$5,580,067

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Enterprise Zone Assistance Fund	Farmland Preservation Fund	Green Trust Fund
REVENUES			
Taxes	\$624,185	\$ —	\$ —
Federal and other grants	—	—	—
Licenses and fees	—	—	—
Services and assessments	—	—	—
Investment earnings	6,110	575,077	1,335,972
Other	—	26,076	1,892,150
Total Revenues	630,295	601,153	3,228,122
OTHER INCREASES			
Transfers from other funds	—	—	19,921,763
Proceeds from sale of bonds	—	4,000,000	—
Other	—	—	13,004
Total Other Increases	—	4,000,000	19,934,767
Total Revenues and Other Increases	630,295	4,601,153	23,162,889
EXPENDITURES			
Public safety and criminal justice	—	—	—
Physical and mental health	—	—	—
Educational, cultural and intellectual development	—	—	—
Community development and environmental management	—	118,168	2,500,248
Economic planning, development and security	—	—	—
Transportation programs	—	—	—
Government direction, management and control	—	—	—
Special government services	—	—	—
Total Expenditures	—	118,168	2,500,248
OTHER DECREASES			
Transfers to other funds	—	883,582	60,747
Other	—	—	78,627
Total Other Decreases	—	883,582	139,374
Total Expenditures and Other Decreases	—	1,001,750	2,639,622
Net Increase (Decrease) in Fund Balances for the Year	630,295	3,599,403	20,523,267
FUND BALANCES—JULY 1, 1985	—	5,298,749	7,993,423
FUND BALANCES—JUNE 30, 1986	\$630,295	\$8,898,152	\$28,516,690

Gubernatorial Elections Fund	Hazardous Discharge Site Cleanup Fund	Housing Assistance Fund	Jobs, Science And Technology Fund	Medical Education Facilities Fund
\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—
—	—	—	—	—
—	500,000	—	—	—
—	—	30,304	553,265	60,580
1,678,987	302,494	163,881	—	—
—	—	—	—	—
1,678,987	802,494	194,185	553,265	60,580
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
1,678,987	802,494	194,185	553,265	60,580
—	—	—	—	—
2,806,756	—	—	—	—
—	—	—	—	—
—	—	—	9,626,530	62,285
—	2,820,453	4,058,769	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
2,806,756	2,820,453	4,058,769	9,626,530	62,285
—	—	194,185	553,265	60,580
—	—	—	186,977	—
—	—	—	—	—
—	—	194,185	740,242	60,580
—	—	—	—	—
2,806,756	2,820,453	4,252,954	10,366,772	122,835
—	—	—	—	—
(1,127,769)	(2,017,959)	(4,058,769)	(9,813,507)	(62,285)
(1,354,980)	—	12,493,432	11,811,251	781,985
—	—	—	—	—
<u>\$(2,482,749)</u>	<u>\$(2,017,959)</u>	<u>\$ 8,434,663</u>	<u>\$ 1,997,744</u>	<u>\$719,700</u>

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Mortgage Assistance Fund	Natural Resources Fund	New Jersey Local Development Financing Fund
REVENUES			
Taxes	\$ —	\$ —	\$ —
Federal and other grants	—	—	—
Licenses and fees	—	—	—
Services and assessments	—	—	—
Investment earnings	82,422	2,176,402	636,431
Other	485,109	197,115	71,541
Total Revenues	567,531	2,373,517	707,972
OTHER INCREASES			
Transfers from other funds	—	—	—
Proceeds from sale of bonds	—	—	—
Other	—	747,882	5,422,710
Total Other Increases	—	747,882	5,422,710
Total Revenues and Other Increases	567,531	3,121,399	6,130,682
EXPENDITURES			
Public safety and criminal justice	—	—	—
Physical and mental health	—	—	—
Educational, cultural and intellectual development	—	—	—
Community development and environmental management	5,627,597	2,953,544	—
Economic planning, development and security	—	—	5,754,150
Transportation programs	—	—	—
Government direction, management and control	—	—	—
Special government services	—	—	—
Total Expenditures	5,627,597	2,953,544	5,754,150
OTHER DECREASES			
Transfers to other funds	567,530	2,575,805	—
Other	—	—	—
Total Other Decreases	567,530	2,575,805	—
Total Expenditures and Other Decreases	6,195,127	5,529,349	5,754,150
Net Increase (Decrease) in Fund Balances for the Year	(5,627,596)	(2,407,950)	376,532
FUND BALANCES—JULY 1, 1985	21,681,294	29,400,462	10,948,353
FUND BALANCES—JUNE 30, 1986	\$16,053,698	\$26,992,512	\$11,324,885

New Jersey Spill Compensation Fund	1983 New Jersey Green Acres Fund	Office Of Attorney Ethics	Property Tax Relief Fund	Safe Drinking Water Fund
\$12,912,441	\$ —	\$ —	\$2,052,256,067	\$2,630,564
143,473	4,796,501	—	—	—
754,690	—	1,191,545	—	7,704
—	—	—	—	—
2,704,967	1,241,295	83,706	—	188,255
—	162,978	—	—	—
16,515,571	6,200,774	1,275,251	2,052,256,067	2,826,523
—	—	—	336,350	—
—	25,000,000	—	—	—
—	—	—	—	—
—	25,000,000	—	336,350	—
16,515,571	31,200,774	1,275,251	2,052,592,417	2,826,523
—	—	1,268,118	—	—
—	—	—	—	—
—	—	—	1,648,401,863	—
9,689,919	10,239,101	—	—	1,768,613
—	—	—	—	—
—	—	—	—	—
—	—	—	419,597,222	—
—	—	—	—	—
9,689,919	10,239,101	1,268,118	2,067,999,085	1,768,613
3,394,651	21,871,518	—	—	—
—	46,178	—	—	—
3,394,651	21,917,696	—	—	—
13,084,570	32,156,797	1,268,118	2,067,999,085	1,768,613
3,431,001	(956,023)	7,133	(15,406,668)	1,057,910
30,866,361	13,225,774	80,276	97,909,303	1,561,818
\$34,297,362	\$12,269,751	\$ 87,409	\$ 82,502,635	\$2,619,728

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Sanitary Landfill Facility Contingency Fund	Shore Protection Fund	State Land Acquisition And Development Fund
REVENUES			
Taxes	\$ —	\$ —	\$ —
Federal and other grants	—	—	1,658,315
Licenses and fees	—	—	—
Services and assessments	4,862,476	—	—
Investment earnings	1,748,308	1,146,931	1,348,842
Other	779	1,687,952	40,910
Total Revenues	6,611,563	2,834,883	3,048,067
OTHER INCREASES			
Transfers from other funds	—	—	—
Proceeds from sale of bonds	—	—	5,000,000
Other	—	—	—
Total Other Increases	—	—	5,000,000
Total Revenues and Other Increases	6,611,563	2,834,883	8,048,067
EXPENDITURES			
Public safety and criminal justice	—	—	—
Physical and mental health	—	—	—
Educational, cultural and intellectual development	—	—	—
Community development and environmental management	1,054,466	6,837,891	11,666,302
Economic planning, development and security	—	—	—
Transportation programs	—	—	—
Government direction, management and control	—	—	—
Special government services	—	—	—
Total Expenditures	1,054,466	6,837,891	11,666,302
OTHER DECREASES			
Transfers to other funds	—	1,640,745	3,066,747
Other	65,330	233,796	—
Total Other Decreases	65,330	1,874,541	3,066,747
Total Expenditures and Other Decreases	1,119,796	8,712,432	14,733,049
Net Increase (Decrease) in Fund Balances for the Year	5,491,767	(5,877,549)	(6,684,982)
FUND BALANCES—JULY 1, 1985	20,483,714	14,827,058	16,997,940
FUND BALANCES—JUNE 30, 1986	\$25,975,481	\$ 8,949,509	\$10,312,958

State Lottery Fund	State Recreation And Conservation Land Acquisition Fund 1971	State Recreation And Conservation Land Acquisition And Development Fund 1974	State Recycling Fund	State Water Development Fund
\$ —	\$ —	\$ —	\$ —	\$ —
—	1,091,775	195,150	—	—
—	—	—	—	—
—	—	—	3,886,619	—
1,957,156	162,113	1,148,049	786,828	26,504
1,001,339,483	—	—	622	—
1,003,296,639	1,253,888	1,343,199	4,674,069	26,504
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
1,003,296,639	1,253,888	1,343,199	4,674,069	26,504
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	865,984	1,307,279	6,244,108	—
—	—	—	—	—
—	—	—	—	—
585,047,659	—	—	—	—
585,047,659	865,984	1,307,279	6,244,108	—
419,353,272	179,291	1,608,574	681,095	45,857
—	—	—	51,865	—
419,353,272	179,291	1,608,574	732,960	45,857
1,004,400,931	1,045,275	2,915,853	5,977,068	45,857
(1,104,292)	208,613	(1,572,654)	(2,302,999)	(19,353)
2,436,240	2,102,129	14,048,190	10,835,375	325,484
\$ 1,331,948	\$2,310,742	\$12,475,536	\$ 8,532,376	\$306,131

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Superior Court Of New Jersey Trust Fund	Transportation Fund	Trial Attorney Certification Program
REVENUES			
Taxes	\$ —	\$747,445	\$ —
Federal and other grants	—	—	—
Licenses and fees	—	—	42,150
Services and assessments	—	—	—
Investment earnings	9,409,420	164,553	10,591
Other	—	—	—
Total Revenues	9,409,420	911,998	52,741
OTHER INCREASES			
Transfers from other funds	—	—	—
Proceeds from sale of bonds	—	—	—
Other	—	—	—
Total Other Increases	—	—	—
Total Revenues and Other Increases	9,409,420	911,998	52,741
EXPENDITURES			
Public safety and criminal justice	7,477,330	—	3,462
Physical and mental health	—	—	—
Educational, cultural and intellectual development	—	—	—
Community development and environmental management	—	—	—
Economic planning, development and security	—	—	—
Transportation programs	—	—	—
Government direction, management and control	—	—	—
Special government services	—	—	—
Total Expenditures	7,477,330	—	3,462
OTHER DECREASES			
Transfers to other funds	241,678	911,998	51,955
Other	—	—	—
Total Other Decreases	241,678	911,998	51,955
Total Expenditures and Other Decreases	7,719,008	911,998	55,417
Net Increase (Decrease) in Fund Balances for the Year	1,690,412	—	(2,675)
FUND BALANCES—JULY 1, 1985	12,440,995	—	169,956
FUND BALANCES—JUNE 30, 1986	\$14,131,407	\$ —	\$167,280

Unemployment Compensation Auxiliary Fund	Water Conservation Fund	Water Supply Fund	Worker And Community Right To Know Fund	Total Special Revenue Funds
\$ —	\$ —	\$ —	\$ —	\$2,255,148,990
—	—	—	—	7,885,214
—	—	—	—	37,900,492
20,839,436	—	—	2,380,649	33,689,074
910,023	368,853	2,778,733	272,443	44,181,763
—	171,278	725,132	—	1,009,816,235
21,749,459	540,131	3,503,865	2,653,092	3,388,621,768
—	—	—	—	27,307,880
—	—	19,600,000	—	53,600,000
—	990,518	4,634,874	—	14,994,373
—	990,518	24,234,874	—	95,902,253
21,749,459	1,530,649	27,738,739	2,653,092	3,484,524,021
—	—	—	—	40,721,814
—	—	—	1,657,941	46,410,208
—	—	—	—	1,658,090,678
—	2,236,079	5,875,275	—	86,574,285
—	—	—	—	72,306,235
—	—	—	—	3,255,965
—	—	—	—	455,960,320
—	—	—	—	585,047,659
—	2,236,079	5,875,275	1,657,941	2,948,367,164
8,715,327	1,792,114	5,450,285	215,835	483,128,895
7,845,362	—	—	—	8,508,135
16,560,689	1,792,114	5,450,285	215,835	491,637,030
16,560,689	4,028,193	11,325,560	1,873,776	3,440,004,194
5,188,770	(2,497,544)	16,413,179	779,316	44,519,827
11,344,290	11,057,570	35,360,663	932,673	543,014,798
\$16,533,060	\$ 8,560,026	\$51,773,842	\$1,711,989	\$ 587,534,625

**STATE OF NEW JERSEY
SPECIAL REVENUE FUNDS
DESCRIPTION OF FUNDS**

Alcohol Education, Rehabilitation And Enforcement Fund (N.J.S.A. 54:32C)

This Fund accounts for 10.75% of the tax revenues from the "Alcohol Education, Rehabilitation and Enforcement Act". Such tax is 7.3% of the receipts from every sale of alcoholic beverages, except draught beer sold by the barrel, by any wholesaler to any retail licensee. Interest received on moneys in the Fund shall be credited to the Fund.

Of the moneys deposited in the first year into the Fund, \$2,000,000 has been allocated for the establishment of Intoxicated Driver Resource Centers. An additional \$20,000 has been allocated for the establishment of a pilot project of portable roadside breath analyzers. The moneys remaining in the Fund in the first year have been dedicated as follows: 70% for rehabilitation; 20% for enforcement; and 10% for education.

The moneys collected in each subsequent year shall be annually dedicated as follows: 75% to rehabilitation; 15% to enforcement; and 10% to education.

Beaches And Harbor Fund (P.L. 1977, c.208)

An amount of \$30,000,000 was authorized to research, plan, acquire, develop, construct, and maintain beaches and harbors.

Boarding House Rental Assistance Fund (N.J.S.A. 55:14J)

The purpose of this Fund is to finance life safety improvement loans by the New Jersey Housing and Mortgage Finance Agency for the benefit of residents of boarding homes; and to provide a source of repayment for such life safety improvement loans.

Casino Control Fund (N.J.S.A. 5:12-143)

The Casino Control Fund accounts for fees from the issuance and annual renewal of casino licenses, work permit fees, and other license fees. Appropriations fund the operations of the Casino Control Commission and the Division of Gaming Enforcement.

Casino Revenue Fund (N.J.S.A. 5:12-145)

The Casino Revenue Fund accounts for the tax on gross revenues generated by the casinos. Gross revenue refers to the total of all sums actually received by a licensee from gaming operations, less the total sums paid out as winnings to patrons and a deduction for uncollectible gaming receivables. Appropriations from this Fund must be used for reductions in property taxes, utility charges and other specified expenses of eligible senior citizens.

Clean Waters Fund (P.L. 1976, c.92)

An amount of \$120,000,000 was authorized to research, plan, acquire, develop, construct, and maintain water supply and waste water treatment facilities.

Clients' Security Fund (R. 1:28-7)

This Fund was established for the purpose of reimbursing, to the extent and in the manner provided by rules and regulations, losses resulting from dishonest conduct by members of the Bar of the State of New Jersey. Annual payments are made to this Fund by each member of the Bar of the State of New Jersey.

Emergency Flood Control Fund (P.L. 1978, c.78)

An amount of \$25,000,000 was authorized to acquire, develop, construct, and maintain flood control facilities and for the development of a comprehensive flood control master plan.

Enterprise Zone Assistance Fund (P.L. 1983, c.303)

The purpose of this Fund is to concentrate the benefits of zone designation and to provide gradual and geographically balanced introduction of such zones. The law is aimed at encouraging the revitalization of some of the State's most distressed urban areas with incidence of poverty and unemployment. No more than 10 enterprise zones may be in existence at any one time. No more than two may be designated in any one year.

Farmland Preservation Fund (P.L. 1981, c.276)

An amount of \$50,000,000 was authorized for the purpose of the retention and development of farmland for agricultural use and production.

Green Trust Fund (P.L. 1983, c.354)

See 1983 New Jersey Green Acres Fund.

Gubernatorial Elections Fund (N.J.S.A. 54A:9-25.1)

The Gubernatorial Elections Fund accounts for receipts from the one dollar designation on New Jersey Gross Income Tax returns. When indicated by the taxpayer, one dollar of the tax is reserved from gross income tax revenues (Property Tax Relief Fund) and credited to the Gubernatorial Elections Fund. These funds are available for appropriation pursuant to The New Jersey Campaign Contributions and Expenditures Reporting Act, as amended.

Hazardous Discharge Site Cleanup Fund (P.L. 1985, c.247)

The Fund was established for the purposes of pre-

paring feasibility studies, engineering designs, and undertaking other work necessary to the cleanup or mitigation of hazardous discharge sites in the State. Moneys are appropriated from the Hazardous Discharge Fund.

Housing Assistance Fund (P.L. 1968, c.127)

An amount of \$12,500,000 was authorized for interest rate subsidies on contracts and agreements with qualified mortgagors and mortgagees of housing developments to decrease rental and carrying charges to low and moderate income occupants of such housing; also, to provide financial assistance to qualified housing developments, constructed, financed, or rehabilitated under federal law and moderate income financing programs.

Jobs, Science and Technology Fund (P.L. 1984, c.99)

An amount of \$90,000,000 was authorized for the establishment and construction of a network of advanced technology centers at public and private institutions of higher education; providing for the construction and improvement of technical and engineering facilities and for high technology job training and retraining programs at public and private institutions of higher education. Net earnings received from the investment or deposit of this Fund are to be paid into the General Fund.

Medical Education Facilities Fund (P.L. 1977, c.235)

An amount of \$120,000,000 was authorized to re-finance revenue bonds issued in 1974 by the New Jersey Health Care Facilities Financing Authority, so as to reduce interest costs for the construction of the teaching hospital at the University of Medicine and Dentistry of New Jersey. Such authorization also provided substantial savings (\$25 million) which are available for the construction of other medical facilities.

Mortgage Assistance Fund (P.L. 1976, c.94)

An amount of \$25,000,000 was authorized for mortgage assistance and to spur construction, rehabilitation, and maintenance of housing for senior citizens and families of low and moderate income, and to provide funds for second mortgages and for a neighborhood preservation program.

Natural Resources Fund (P.L. 1980, c.70)

An amount of \$145,000,000 was authorized to fund state and local projects for resource recovery, sewage treatment, water supply, dam restoration, and harbor clean-up projects.

New Jersey Local Development Financing Fund (N.J.S.A. 34:1B-36)

An amount of \$45,000,000 is allocated from the

Community Development Bond Fund to capitalize the New Jersey Local Development Financing Fund. The Fund will provide financial assistance to municipal governments, local development corporations, and other organizations sponsoring commercial and industrial projects which encourage municipal economic development.

New Jersey Spill Compensation Fund (N.J.S.A. 58:10-23.11i)

Receipts from taxes and penalties levied upon each owner or operator of a major facility of hazardous substances are deposited in this Fund. The tax is measured by the number of barrels of hazardous substances of the first transfer to the major facility. Payments may be authorized for clean-up costs, removal costs, research, and payments of approved claims.

1983 New Jersey Green Acres Fund (P.L. 1983, c.354)

An amount of \$135,000,000 was authorized for public acquisition and development of lands for recreation and conservation purposes to meet the future needs of the expanding population. Of this amount \$52,000,000 is allocated for the acquisition and development of lands by the State. \$83,000,000 is to be transferred to the Green Trust Fund and is allocated for grants or loans to local government units for acquisition or development of land.

Office Of Attorney Ethics (R. 1:20-2)

The Fund was established for the purpose of performing random audits of the books and records of New Jersey attorneys for compliance with standards established by the Supreme Court of New Jersey ("Court"). The rules and regulations by which the Fund is administered have been approved by the Supreme Court of the State of New Jersey.

Property Tax Relief Fund (N.J.S.A. 54A:9-25)

The Property Tax Relief Fund accounts for revenues from the New Jersey Gross Income Tax. Revenues realized from the Gross Income Tax are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. Annual appropriations are made from the Fund, pursuant to formulas established by the Legislature, to counties, municipalities, and school districts.

Safe Drinking Water Fund (N.J.S.A. 58:12A-12)

This Fund accounts for tax revenues collected from owners or operators of public community water systems pursuant to the "Safe Drinking Water Act." Moneys in this Fund are subject to appropriation to the Department of Environmental Protection for all costs

associated with the department's administration of programs set forth in the Act.

Sanitary Landfill Facility Contingency Fund (N.J.S.A. 13:1E-100)

Receipts from taxes and penalties levied upon each owner or operator of every sanitary landfill facility are deposited in this Fund. The tax is levied per cubic yard of solids and per gallon of liquids. The Fund shall be liable for all direct and indirect damages resulting from the operations or closure of any sanitary landfill.

Shore Protection Fund (P.L. 1983, c.356)

An amount of \$50,000,000 was authorized for the purpose of state projects and the making of state grants and loans to counties and municipalities for researching, planning, acquiring, developing, constructing and maintaining shore protection projects. Of the total available, \$40,000,000 has been allocated for state shore protection projects and for state grants to counties and municipalities. The remaining \$10,000,000 has been allocated for state loans to counties and municipalities. Net earnings received from the investment or deposit of this Fund are to be paid into the General Fund.

State Land Acquisition And Development Fund (P.L. 1978, c.118)

An amount of \$200,000,000 was authorized for state and local acquisition and development to continue efforts to conserve open space and provide recreation areas. Half of the amount is allocated to urban areas.

State Lottery Fund (N.J.S.A. 5:9-21)

This Fund includes the moneys from the sale of state lottery tickets. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets or shares and for administrative expenses of the Division of State Lottery. The balance of funds are paid over to the General Fund in support of the amounts annually appropriated for state institutions and for education.

State Recreation And Conservation Land Acquisition Fund (P.L. 1971, c.165)

An amount of \$80,000,000 was authorized to enable the State to acquire lands and to provide for state grants to assist municipalities and counties and other units of local government to acquire lands for recreation and conservation purposes.

State Recreation And Conservation Land Acquisition and Development Fund (P.L. 1974, c.102)

An amount of \$200,000,000 was authorized to enable the State to acquire and develop lands and to provide for state grants to assist municipalities and counties and other units of local government to acquire and

develop lands for recreation and conservation purposes.

State Recycling Fund (N.J.S.A. 12:1E-92)

Receipts from taxes and penalties levied upon each owner or operator of a sanitary landfill facility are deposited in this Fund. The tax is levied per cubic yard of all solid waste accepted for disposal at the facility. Grants are made to seek solutions to energy, environmental and economic problems.

State Water Development Fund (P.L. 1958, c.35)

An amount of \$45,850,000 was authorized to conduct research, acquire, construct, and develop water supplies for potable, industrial, irrigational, and other purposes.

Superior Court of New Jersey Trust Fund (R. 4:57-2 to 5)

This Fund accounts for moneys representing deposits made in court as a result of litigation, including foreclosures, condemnations, liquidations, dissolutions, good faith deposits by liability insurers, sale of infants' lands, insolvencies, receiverships and interpleaders.

Transportation Fund (N.J.S.A. 54:18A-20)

Receipts of taxes from the "Emergency Transportation Tax Act" are credited to this Fund. Such tax is on the income of New Jersey residents derived from sources within a "critical area state" other than New Jersey, and on the income of residents of another "critical area state" derived from sources within New Jersey. The critical area state was determined by the Commissioner of Transportation to be New York. Each taxpayer subject to the "Emergency Transportation Tax Act" is required to compute the tax due the State for both the Emergency Transportation Tax and the New Jersey Gross Income Tax, and to pay the greater tax due, which is credited hereto. The amount applicable to the tax, as calculated for the New Jersey Gross Income Tax, is first allocated and transferred to the Property Tax Relief Fund and reported by the State under the revenues of the Gross Income Tax in the Property Tax Relief Fund of the General Treasury. The funds are used to improve transportation and transportation facilities in the critical areas covered by the Act.

Trial Attorney Certification Program (R. 1:39-1(h))

The Fund was established to assist the Supreme Court of New Jersey in the administration of the certification function for civil or criminal trial attorneys. The rules and regulations by which the Board is administered have been approved by the Supreme Court of New Jersey.

**Unemployment Compensation Auxiliary Fund
(N.J.S.A. 43:21-14g)**

Amounts collected as penalties and interest assessed against employers who have failed to make payment of contributions required under the Unemployment Compensation Law to the State on a timely basis are deposited in this Fund.

Payments from the Fund are authorized for the refund of any interest and/or penalty credited hereto, determined to have been collected or remitted by mistake. The remaining amounts may be expended by appropriations for administrative costs of the Unemployment Compensation Law and for costs of programs which generate employment, such as the Work Incentive Program (WIN), authorized training programs, and economic development activities.

Water Conservation Fund (P.L. 1969, c.127)

An amount of \$271,000,000 was authorized to conduct research, plan, acquire, develop, construct, and maintain water supply and waste water treatment facilities for the preservation, sale, or exchange of water for

potable, industrial, commercial, irrigational, recreational, and other public purposes.

Water Supply Fund (P.L. 1981, c.261)

An amount of \$350,000,000 was authorized to provide loans for state or local projects for the rehabilitation, repair or consolidation of antiquated, damaged or inadequately operating water supply facilities, as recommended by the New Jersey Water Supply Master Plan. Earnings from the investments shall be paid into the General Fund.

**Worker And Community Right To Know Fund
(N.J.S.A. 34:5A-1)**

This Fund was established to account for all fees collected from employers pursuant to the "Worker and Community Right to Know Act." Moneys in the Fund are to be allocated on a percentage basis for expenses incurred in connection with the Act's provisions by the Department of Health, Department of Environmental Protection, Department of Labor and the Department of the Treasury.

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CAPITAL PROJECTS FUNDS

**STATE OF NEW JERSEY
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1986**

	<u>Correctional Facilities Construction Fund</u>	<u>Energy Conservation Fund</u>	<u>Higher Education Buildings Construction Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 264	\$ 1,250	\$ 20,323
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	—	—	—
Departmental accounts	—	—	—
Other	—	—	—
OTHER ASSETS			
Due from other funds	23,535,579	8,295,312	997,508
Total Assets	<u>\$23,535,843</u>	<u>\$ 8,296,562</u>	<u>\$1,017,831</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 1,361,104	\$ 375,300	\$ —
Deferred revenue	—	—	—
Due to other funds	3,059,931	688,540	80,393
Total Liabilities	<u>4,421,035</u>	<u>1,063,840</u>	<u>80,393</u>
FUND BALANCES			
Reserved for:			
Encumbrances	30,852,948	1,792,596	213,745
Unreserved:			
Designated for continuing appropriations	13,261,860	12,754,680	723,693
Undesignated	(25,000,000)	(7,314,554)	—
Total Fund Balances	<u>19,114,808</u>	<u>7,232,722</u>	<u>937,438</u>
Total Liabilities and Fund Balances	<u>\$23,535,843</u>	<u>\$ 8,296,562</u>	<u>\$1,017,831</u>

**Human Services
Facilities
Construction Fund**

**Institutional
Construction
Fund**

**Institutions
Construction
Fund**

**New Jersey Bridge
Rehabilitation and
Improvement Fund**

\$ 803

\$ 15,864

\$ —

\$ 139,121

—

—

—

1,259,772

—

—

—

1,437,194

—

—

—

18,240,774

1,618,127

1,297,015

9,378,447

\$18,241,577

\$1,633,991

\$1,297,015

\$ 12,214,534

\$ 59,650

\$ 16,786

\$ 8,572

\$ 5,716,416

—

—

—

—

1,017,472

175,327

119,161

1,061,221

1,077,122

192,113

127,733

6,777,637

56,200

587,719

286,270

25,453,813

25,909,505
(8,801,250)

854,159
—

883,012
—

89,983,084
(110,000,000)

17,164,455

1,441,878

1,169,282

5,436,897

\$18,241,577

\$1,633,991

\$1,297,015

\$ 12,214,534

**STATE OF NEW JERSEY
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1986**

	<u>Public Buildings Construction Fund</u>	<u>Public Purpose Buildings Construction Fund</u>	<u>Special Transportation Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 2,293	\$ —	\$ —
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	—	—	31,123,672
Departmental accounts	—	—	23,820,903
Other	—	—	—
OTHER ASSETS			
Due from other funds	531,065	40,127,958	—
Total Assets	<u>\$333,358</u>	<u>\$40,127,958</u>	<u>\$54,944,575</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 5,629	\$ 851,970	\$35,053,294
Deferred revenue	—	—	6,400,717
Due to other funds	28,752	2,803,029	13,490,564
Total Liabilities	<u>34,381</u>	<u>3,654,999</u>	<u>54,944,575</u>
FUND BALANCES			
Reserved for:			
Encumbrances	137,885	14,165,234	—
Unreserved:			
Designated for continuing appropriations	161,092	26,748,161	—
Undesignated	—	(4,440,436)	—
Total Fund Balances	<u>298,977</u>	<u>36,472,959</u>	<u>—</u>
Total Liabilities and Fund Balances	<u>\$333,358</u>	<u>\$40,127,958</u>	<u>\$54,944,575</u>

State Facilities For Handicapped Fund	State Transportation Fund	Transportation Rehabilitation and Improvement Fund	Total Capital Projects Funds
\$ 863	\$ —	\$ —	\$ 180,781
—	15,061	4,737,891	37,136,396
—	—	—	23,820,903
—	—	—	1,437,194
3,418,933	10,153,416	68,543,683	185,937,817
<u>\$3,419,796</u>	<u>\$10,168,477</u>	<u>\$73,281,574</u>	<u>\$248,513,091</u>
\$ 63,065	\$ 43,754	\$ 4,545,551	\$ 48,101,091
—	—	—	6,400,717
—	4,831,950	34,395,870	61,752,210
63,065	4,875,704	38,941,421	116,254,018
340,982	3,365,590	64,221,826	141,474,808
3,015,749	1,927,183	15,618,327	191,840,505
—	—	(45,500,000)	(201,056,240)
3,356,731	5,292,773	34,340,153	132,259,073
<u>\$3,419,796</u>	<u>\$10,168,477</u>	<u>\$73,281,574</u>	<u>\$248,513,091</u>

**STATE OF NEW JERSEY
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	<u>Correctional Facilities Construction Fund</u>	<u>Energy Conservation Fund</u>	<u>Higher Education Buildings Construction Fund</u>
REVENUES			
Federal and other grants	\$ —	\$ —	\$ —
Services and assessments	—	—	—
Investment earnings	2,847,659	686,626	80,393
Other	130,382	—	—
Total Revenues	2,978,041	686,626	80,393
OTHER INCREASES			
Proceeds from sale of bonds	20,000,000	—	—
Other	—	78,246	—
Total Other Increases	20,000,000	78,246	—
Total Revenues and Other Increases	22,978,041	764,872	80,393
EXPENDITURES			
Public safety and criminal justice	43,661,680	—	—
Physical and mental health	—	—	—
Educational, cultural and intellectual development	—	—	227,657
Community development and environmental management	—	2,392,722	—
Transportation programs	—	—	—
Total Expenditures	43,661,680	2,392,722	227,657
OTHER DECREASES			
Transfers to other funds	2,978,041	686,626	80,393
Other	467,541	—	—
Total Other Decreases	3,445,582	686,626	80,393
Total Expenditures and Other Decreases	47,107,262	3,079,348	308,050
Net Increase (Decrease) in Fund Balances for the Year	(24,129,221)	(2,314,476)	(227,657)
FUND BALANCES—JULY 1, 1985	43,244,029	9,547,198	1,165,095
FUND BALANCES—JUNE 30, 1986	\$19,114,808	\$7,232,722	\$ 937,438

Human Services Facilities Construction Fund	Institutional Construction Fund	Institutions Construction Fund	New Jersey Bridge Rehabilitation And Improvement Fund
\$ —	\$ —	\$ —	\$20,276,889
—	—	—	—
909,085	143,993	105,212	973,502
91,268	—	—	151,220
1,000,353	143,993	105,212	21,401,611
14,000,000	—	—	10,000,000
—	—	—	—
14,000,000	—	—	10,000,000
15,000,353	143,993	105,212	31,401,611
—	—	—	—
710,303	—	—	—
—	—	—	—
—	632,045	162,923	—
—	—	—	38,493,155
710,303	632,045	162,923	38,493,155
1,000,353	143,993	105,212	1,038,693
62,413	—	—	77,994
1,062,766	143,993	105,212	1,116,687
1,773,069	776,038	268,135	39,609,842
13,227,284	(632,045)	(162,923)	(8,208,231)
3,937,171	2,073,923	1,332,205	13,645,128
\$17,164,455	\$1,441,878	\$1,169,282	\$ 5,436,897

**STATE OF NEW JERSEY
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	<u>Public Buildings Construction Fund</u>	<u>Public Purpose Buildings Construction Fund</u>	<u>Special Transportation Fund</u>
REVENUES			
Federal and other grants	\$ —	\$ —	\$129,998,032
Services and assessments	—	—	133,899,000
Investment earnings	28,752	2,574,340	—
Other	—	162,978	—
Total Revenues	28,752	2,737,318	263,897,032
OTHER INCREASES			
Proceeds from sale of bonds	—	25,000,000	—
Other	—	353,907	—
Total Other Increases	—	25,353,907	—
Total Revenues and Other Increases	28,752	28,091,225	263,897,032
EXPENDITURES			
Public safety and criminal justice	—	—	—
Physical and mental health	—	—	—
Educational, cultural and intellectual development	—	—	—
Community development and environmental management	99,861	13,890,823	—
Transportation programs	—	—	264,294,481
Total Expenditures	99,861	13,890,823	264,294,481
OTHER DECREASES			
Transfers to other funds	28,752	2,737,318	—
Other	—	—	—
Total Other Decreases	28,752	2,737,318	—
Total Expenditures and Other Decreases	128,613	16,628,141	264,294,481
Net Increase (Decrease) in Fund Balances for the Year	(99,861)	11,463,084	(397,449)
FUND BALANCES—JULY 1, 1985	398,838	25,009,875	397,449
FUND BALANCES—JUNE 30, 1986	<u>\$298,977</u>	<u>\$36,472,959</u>	<u>\$ —</u>

<u>State Facilities For Handicapped Fund</u>	<u>State Transportation Fund</u>	<u>Transportation Rehabilitation And Improvement Fund</u>	<u>Total Capital Projects Funds</u>
\$ —	\$ 78,860	\$ 55,680,583	\$206,034,364
—	—	—	133,899,000
281,530	776,950	4,610,294	14,018,336
—	—	350,711	886,559
281,530	855,810	60,641,588	354,838,259
—	—	50,000,000	119,000,000
—	—	392,553	824,706
—	—	50,392,553	119,824,706
281,530	855,810	111,034,141	474,662,965
—	—	—	43,661,680
—	—	—	710,303
714,777	—	—	942,434
—	—	—	17,178,374
—	525,880	87,913,716	391,227,232
714,777	525,880	87,913,716	453,720,023
—	776,950	4,961,006	14,537,337
—	—	—	607,948
—	776,950	4,961,006	15,145,285
714,777	1,302,830	92,874,722	468,865,308
(433,247)	(447,020)	18,159,419	5,797,657
3,789,978	5,739,793	16,180,734	126,461,416
<u>\$3,356,731</u>	<u>\$5,292,773</u>	<u>\$ 34,340,153</u>	<u>\$132,259,073</u>

**STATE OF NEW JERSEY
CAPITAL PROJECTS FUNDS
DESCRIPTION OF FUNDS**

**Correctional Facilities Construction Fund
(P.L. 1982, c.120)**

An amount of \$170,000,000 was authorized for construction of new medium security prisons, a program of county assistance and renovations and modifications to existing state facilities.

Energy Conservation Fund (P.L. 1980, c.68)

An amount of \$50,000,000 was authorized, of which \$3,000,000 is for energy audits and \$47,000,000 is for energy-saving renovations to educational facilities, institutions, and public buildings of the State.

**Higher Education Buildings Construction Fund
(P.L. 1971, c.164)**

An amount of \$155,000,000 was authorized for the acquisition, construction, reconstruction, development, improvement, and equipment for state institutions of higher education and for county colleges.

**Human Services Facilities Construction Fund
(P.L. 1984, c.157)**

An amount of \$60,000,000 was authorized for the planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipping of human services facilities.

Institutional Construction Fund (P.L. 1978, c.79)

An amount of \$100,000,000 was authorized to construct or rehabilitate facilities for the mentally retarded in concert with the federal program for Intermediate Care Facilities/Mentally Retarded (ICF/MR) and the construction or rehabilitation of mental health and correctional facilities. In addition, funds were used for a library for the blind and handicapped and a forensic laboratory for the State Medical Examiner.

Institutions Construction Fund (P.L. 1976, c.93)

An amount of \$80,000,000 was authorized to provide safe and humane facilities at institutions for the mentally ill, mentally retarded, and incarcerated through construction of new facilities or rehabilitation and improvement of existing facilities.

New Jersey Bridge Rehabilitation and Improvement Fund (P.L. 1983, c.363)

An amount of \$135,000,000 was authorized for the purpose of rehabilitating and improving bridges in the State's rail and road system. Of this sum, \$97,500,000 was reserved for the cost of rehabilitation and improvement of bridges carrying state highways, and \$37,500,000 was reserved for the state share of the cost

of rehabilitation and improvement of bridges carrying county and municipal roads.

**Public Buildings Construction Fund
(P.L. 1968, c.128)**

An amount of \$337,500,000 was authorized for construction, reconstruction, development, extension, and equipping of public buildings for state institutions, higher education, including state and county colleges, vocational education, and for a statewide television and radio network.

**Public Purpose Buildings Construction Fund
(P.L. 1980, c.119)**

An amount of \$159,000,000 was authorized for construction of public purpose buildings, including \$50,000,000 for facilities for the mentally retarded, \$67,000,000 for correctional facilities, \$7,000,000 for a veterans' long-term care facility, \$3,500,000 for facilities for children in need of supervision, and \$21,500,000 for facilities for the mentally ill.

\$10,000,000 of the proceeds from the sale of bonds was authorized to be segregated and held aside for guarantees providing that the moneys shall be pledged as security for the obligation.

Special Transportation Fund (N.J.S.A. 27:1B-21)

This Fund was established in accordance with the provisions of the New Jersey Transportation Trust Fund Authority Act of 1984. The Fund accounts for the receipt of resources from the New Jersey Transportation Trust Fund Authority and related federal grant awards, and the expenditure of these funds for authorized public transportation projects. The funds can only be expended by the Department pursuant to appropriations or authorizations made by the Legislature for the purpose of the Transportation Trust Fund Authority Act.

**State Facilities For Handicapped Fund
(P.L. 1973, c.149)**

An amount of \$25,000,000 was authorized for expansion and renovation of the Marie H. Katzenbach School for the Deaf and for the planning, acquisition, improvements, and construction of regional day-school facilities to educate children with severe handicaps.

State Transportation Fund (P.L. 1968, c.126)

An amount of \$640,000,000 was authorized to improve the state public transportation system. Of this amount, \$200,000,000 was reserved for mass transpor-

tation facilities; the balance was reserved for the improvement of state highways.

**Transportation Rehabilitation And Improvement
Fund Of 1979 (P.L. 1979, c.165)**

An amount of \$475,000,000 was authorized to

provide an improved transportation system for the State. Of this amount, \$150,000,000 was reserved for the improvement of public transportation facilities; \$80,000,000 was reserved for the improvement of county and municipal roads; and \$245,000,000 was reserved for the improvement of state highways.

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TRUST AND AGENCY FUNDS

STATE OF NEW JERSEY
ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1986

	Community Development Bond Fund	Dental Expense Program Fund	Emergency Services Fund
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 175	\$ —	\$ 925
INVESTMENTS	—	—	—
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	—	—	—
Departmental accounts	—	—	—
Loans	—	—	—
Other	—	1,063,453	—
OTHER ASSETS			
Due from other funds	7,873,260	9,044,772	3,085,151
Advances to other funds	—	—	—
Total Assets	<u>\$7,873,435</u>	<u>\$10,108,225</u>	<u>\$3,086,076</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	\$ —	\$ 2,520,968	\$ —
Deferred revenue	—	—	—
Due to other funds	395,197	—	—
Advances from other funds	—	—	—
Other	—	—	—
Deferred compensation payable	—	—	—
Total Liabilities	<u>395,197</u>	<u>2,520,968</u>	<u>—</u>
FUND BALANCES			
Reserved for:			
Encumbrances	—	—	—
Pension benefits	—	—	—
Other	—	—	—
Unreserved:			
Undesignated	<u>7,478,238</u>	<u>7,587,257</u>	<u>3,086,076</u>
Total Fund Balances	<u>7,478,238</u>	<u>7,587,257</u>	<u>3,086,076</u>
Total Liabilities and Fund Balances	<u>\$7,873,435</u>	<u>\$10,108,225</u>	<u>\$3,086,076</u>

EXPENDABLE TRUST FUNDS

Fund For Support Of Free Public Schools	Health Benefits Program Fund	Higher Education Assistance Fund	Motor Vehicle Liability Security Fund	Motor Vehicle Security Responsibility Fund
\$ 105,388	\$ 881,984	\$ —	\$ 1,747	\$ 1,648
40,152,896	—	—	598,914	—
—	—	24,479,282	—	—
—	—	—	—	—
—	—	8,534,328	—	—
492,895	5,678,930	—	152,663	—
8,603,027	172,729,066	1,205,002	11,672,005	234,166
—	—	—	—	—
<u>\$49,354,206</u>	<u>\$179,289,980</u>	<u>\$34,218,612</u>	<u>\$12,425,329</u>	<u>\$235,814</u>
\$ 5,319	\$ 91,900,121	\$ 4,133,446	\$ 25,238	\$218,204
—	5,227,261	—	—	—
3,914,463	—	3,107,166	—	17,610
—	—	—	—	—
128,953	—	2,110,940	—	—
—	—	—	—	—
<u>4,048,735</u>	<u>97,127,382</u>	<u>9,351,552</u>	<u>25,238</u>	<u>235,814</u>
—	—	64,851	—	—
—	—	—	—	—
17,953,731	—	8,534,328	12,400,091	—
27,351,740	82,162,598	16,267,881	—	—
<u>45,305,471</u>	<u>82,162,598</u>	<u>24,867,060</u>	<u>12,400,091</u>	<u>—</u>
<u>\$49,354,206</u>	<u>\$179,289,980</u>	<u>\$34,218,612</u>	<u>\$12,425,329</u>	<u>\$235,814</u>

STATE OF NEW JERSEY
ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1986

	Mutual Workers' Compensation Security Fund	New Home Warranty Security Fund	NJ Federal-State Rural Rehabilitation Fund
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 450	\$ 47,357	\$ 174
INVESTMENTS	4,129,103	—	—
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	—	—	—
Departmental accounts	—	—	—
Loans	—	—	15,000
Other	731,447	—	—
OTHER ASSETS			
Due from other funds	149,437	22,368,290	546,019
Advances to other funds	—	—	—
Total Assets	<u>\$5,010,437</u>	<u>\$22,415,647</u>	<u>\$561,193</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	\$ —	\$ —	\$ —
Deferred revenue	—	—	—
Due to other funds	—	1,356,866	—
Advances from other funds	—	—	—
Other	—	—	—
Deferred compensation payable	—	—	—
Total Liabilities	<u>—</u>	<u>1,356,866</u>	<u>—</u>
FUND BALANCES			
Reserved for:			
Encumbrances	—	—	9,297
Pension benefits	—	—	—
Other	637,429	—	15,000
Unreserved:			
Undesignated	4,373,008	21,058,781	536,896
Total Fund Balances	<u>5,010,437</u>	<u>21,058,781</u>	<u>561,193</u>
Total Liabilities and Fund Balances	<u>\$5,010,437</u>	<u>\$22,415,647</u>	<u>\$561,193</u>

EXPENDABLE TRUST FUNDS

<u>New Jersey Insurance Development Fund</u>	<u>Prescription Drug Program Fund</u>	<u>Real Estate Guaranty Fund</u>	<u>State Disability Benefit Fund</u>	<u>Stock Workers' Compensation Security Fund</u>
\$ 1,798	\$ —	\$ 12,692	\$ 24,951	\$ 9,919
—	—	—	13,342,443	19,063,727
—	—	—	—	—
—	—	—	32,505,447	—
—	—	—	—	—
10,408,433	—	—	1,436,449	324,300
44,815,405	2,726,488	985,657	140,737,656	22,756,663
—	—	—	—	—
<u>\$55,225,636</u>	<u>\$2,726,488</u>	<u>\$998,349</u>	<u>\$188,046,946</u>	<u>\$42,154,609</u>
\$ 5,055,090	\$1,238,999	\$ —	\$ 18,890,385	\$ —
—	—	—	—	—
—	—	—	7,356,482	—
—	—	—	—	—
—	—	—	614,303	—
—	—	—	—	—
<u>5,055,090</u>	<u>1,238,999</u>	<u>—</u>	<u>26,861,170</u>	<u>—</u>
—	—	5,153	—	—
—	—	—	—	—
—	—	—	—	4,195,838
<u>50,170,546</u>	<u>1,487,489</u>	<u>993,196</u>	<u>161,185,776</u>	<u>37,958,771</u>
<u>50,170,546</u>	<u>1,487,489</u>	<u>998,349</u>	<u>161,185,776</u>	<u>42,154,609</u>
<u>\$55,225,636</u>	<u>\$2,726,488</u>	<u>\$998,349</u>	<u>\$188,046,946</u>	<u>\$42,154,609</u>

**STATE OF NEW JERSEY
ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1986**

	Unclaimed Bank Deposits Escheat Reserve Fund	Unclaimed Domestic Life Insurance Escheat Reserve Fund	Unclaimed Personal Property Trust Fund
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 1,231	\$ 2,550	\$ —
INVESTMENTS	—	—	—
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	—	—	—
Departmental accounts	—	—	—
Loans	—	—	1,294,700
Other	—	—	—
OTHER ASSETS			
Due from other funds	10,137,280	2,167,432	18,930,573
Advances to other funds	—	—	—
Total Assets	<u>\$10,138,511</u>	<u>\$2,169,982</u>	<u>\$20,225,273</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ —	\$ —	\$ 78,738
Deferred revenue	—	—	—
Due to other funds	1,894,125	906,617	10,844,004
Advances from other funds	—	—	—
Other	—	—	—
Deferred compensation payable	—	—	—
Total Liabilities	<u>1,894,125</u>	<u>906,617</u>	<u>10,922,742</u>
FUND BALANCES			
Reserved for:			
Encumbrances	—	—	—
Pension benefits	—	—	—
Other	—	—	1,294,700
Unreserved:			
Undesignated	8,244,386	1,263,365	8,007,831
Total Fund Balances	<u>8,244,386</u>	<u>1,263,365</u>	<u>9,302,531</u>
Total Liabilities and Fund Balances	<u>\$10,138,511</u>	<u>\$2,169,982</u>	<u>\$20,225,273</u>

EXPENDABLE TRUST FUNDS

Unemployment Compensation Fund	University of Medicine and Dentistry of New Jersey Self Insurance Reserve Fund	Unsatisfied Claim and Judgment Fund	Veterans' Guaranteed Loan Fund	Sub-Total Expendable Trust Funds
\$ 14,729,866	\$ 504,023	\$ —	\$ 5,417	\$ 16,332,295
—	5,902,959	14,997,511	—	98,187,553
1,007,372,961	—	—	—	1,031,852,243
55,336,355	—	—	—	87,841,802
—	—	—	—	9,844,028
16,607,376	199,826	4,347,552	—	41,443,324
2,324,053	4,691,387	74,166,902	5,129	561,954,820
—	—	4,006,199	—	4,006,199
<u>\$1,096,370,611</u>	<u>\$11,298,195</u>	<u>\$97,518,164</u>	<u>\$10,546</u>	<u>\$1,851,462,264</u>
\$ 39,853,881	\$ —	\$ 1,203,681	\$ —	\$ 165,124,070
—	—	—	—	5,227,261
4,286,560	—	757,186	—	34,836,276
—	—	—	—	—
2,582,977	—	—	—	5,437,173
—	—	—	—	—
<u>46,723,418</u>	<u>—</u>	<u>1,960,867</u>	<u>—</u>	<u>210,624,780</u>
—	—	—	—	79,301
—	—	—	—	—
—	—	7,548,423	—	52,579,540
<u>1,049,647,193</u>	<u>11,298,195</u>	<u>88,008,874</u>	<u>10,546</u>	<u>1,588,178,643</u>
<u>1,049,647,193</u>	<u>11,298,195</u>	<u>95,557,297</u>	<u>10,546</u>	<u>1,640,837,484</u>
<u>\$1,096,370,611</u>	<u>\$11,298,195</u>	<u>\$97,518,164</u>	<u>\$10,546</u>	<u>\$1,851,462,264</u>

STATE OF NEW JERSEY
ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1986

	Central Pension Fund	Consolidated Police & Firemen's Pension Fund	Judicial Retirement System
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ —	\$ 50,385	\$ 20,724
INVESTMENTS	—	89,035,944	6,565,021
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	—	—	—
Departmental accounts	—	—	—
Loans	—	—	—
Other	—	1,906,807	207,485
OTHER ASSETS			
Due from other funds	34,241	21,109,089	40,799,967
Advances to other funds	—	—	—
Total Assets	<u>\$34,241</u>	<u>\$112,102,225</u>	<u>\$47,593,197</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$34,241	\$ 3,222,442	\$ 662,337
Deferred revenue	—	—	—
Due to other funds	—	235,807	6,341
Advances from other funds	—	—	—
Other	—	—	—
Deferred compensation payable	—	—	—
Total Liabilities	<u>34,241</u>	<u>3,458,249</u>	<u>668,678</u>
FUND BALANCES			
Reserved for:			
Encumbrances	—	—	—
Pension benefits	—	108,643,976	46,924,519
Other	—	—	—
Unreserved:			
Undesignated	—	—	—
Total Fund Balances	<u>—</u>	<u>108,643,976</u>	<u>46,924,519</u>
Total Liabilities and Fund Balances	<u>\$34,241</u>	<u>\$112,102,225</u>	<u>\$47,593,197</u>

PENSION TRUST FUNDS

Police & Firemen's Retirement System	Prison Officers' Pension Fund	Public Employees' Retirement System	State Police Retirement System
\$ —	\$ 62,357	\$ —	\$ —
527,978,589	—	860,495,568	37,621,576
—	—	—	—
—	—	—	—
95,802,483	—	100,196,169	8,420,052
133,560,091	52,004	166,284,890	714,189
2,176,528,606	967,291	3,942,670,612	247,354,558
—	—	—	—
<u>\$2,933,869,769</u>	<u>\$1,081,652</u>	<u>\$5,069,647,239</u>	<u>\$294,110,375</u>
\$ 15,721,750	\$ 297,838	\$ 31,161,192	\$ 1,527,265
—	—	—	—
1,353,027	10,997	8,234,404	17,968
—	—	—	—
—	—	—	—
—	—	—	—
<u>17,074,777</u>	<u>308,835</u>	<u>39,395,596</u>	<u>1,545,233</u>
—	—	—	—
2,916,794,992	772,817	4,998,139,727	292,565,142
—	—	32,111,916	—
—	—	—	—
—	—	—	—
<u>2,916,794,992</u>	<u>772,817</u>	<u>5,030,251,643</u>	<u>292,565,142</u>
<u>\$2,933,869,769</u>	<u>\$1,081,652</u>	<u>\$5,069,647,239</u>	<u>\$294,110,375</u>

**STATE OF NEW JERSEY
ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1986**

	<u>Supplemental Annuity Collective Trust</u>	<u>Teachers' Pension and Annuity Fund</u>	<u>Sub-Total Pension Trust Funds</u>
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 30,653	\$ —	\$ 164,119
INVESTMENTS	127,907,550	1,154,705,134	2,804,309,382
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	—	—	—
Departmental accounts	—	—	—
Loans	—	122,093,884	326,512,588
Other	484,298	56,460,049	359,669,813
OTHER ASSETS			
Due from other funds	1,877,646	4,589,634,357	11,020,976,367
Advances to other funds	—	—	—
Total Assets	<u>\$130,300,147</u>	<u>\$5,922,893,424</u>	<u>\$14,511,632,269</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	\$ 316,089	\$ 36,394,560	\$ 89,337,714
Deferred revenue	—	—	—
Due to other funds	—	769,815	10,628,359
Advances from other funds	—	—	—
Other	—	—	—
Deferred compensation payable	—	—	—
Total Liabilities	<u>316,089</u>	<u>37,164,375</u>	<u>99,966,073</u>
FUND BALANCES			
Reserved for:			
Encumbrances	—	—	—
Pension benefits	129,984,058	5,838,314,645	14,332,139,876
Other	—	47,414,404	79,526,320
Unreserved:			
Undesignated	—	—	—
Total Fund Balances	<u>129,984,058</u>	<u>5,885,729,049</u>	<u>14,411,666,196</u>
Total Liabilities and Fund Balances	<u>\$130,300,147</u>	<u>\$5,922,893,424</u>	<u>\$14,511,632,269</u>

**NON-EXPENDABLE
TRUST FUNDS**

AGENCY FUNDS

<u>State of New Jersey-Tischler Memorial Fund</u>	<u>Alternate Benefit Program Fund</u>	<u>Common Pension Fund "A"</u>	<u>Common Pension Fund "B"</u>
\$ 139	\$1,887,875	\$ —	\$ 4,817
344,322	—	4,947,540,771	5,215,626,599
—	—	—	—
—	—	—	—
9,236	501,045	18,082,943	144,026,226
85,376	2,874,214	140,494,192	100,824,971
—	—	—	—
<u>\$439,073</u>	<u>\$5,263,134</u>	<u>\$5,106,117,906</u>	<u>\$5,460,482,613</u>
\$ —	\$2,955,119	\$ —	\$ —
—	—	—	—
23,000	2,308,015	5,098,160,418	5,460,482,613
—	—	—	—
—	—	7,957,488	—
—	—	—	—
<u>23,000</u>	<u>5,263,134</u>	<u>5,106,117,906</u>	<u>5,460,482,613</u>
—	—	—	—
—	—	—	—
416,073	—	—	—
—	—	—	—
<u>416,073</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>\$439,073</u>	<u>\$5,263,134</u>	<u>\$5,106,117,906</u>	<u>\$5,460,482,613</u>

**STATE OF NEW JERSEY
ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1986**

	<u>Disability Benefit Liability Fund</u>	<u>General Trust Fund</u>	<u>Luxury Tax Development Fund</u>
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 127,140	\$ 59	\$ —
INVESTMENTS	—	—	—
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	—	—	—
Departmental accounts	—	—	—
Loans	—	—	—
Other	275,773	—	—
OTHER ASSETS			
Due from other funds	2,383,360	15,127	14,722,936
Advances to other funds	—	—	—
Total Assets	<u>\$2,786,273</u>	<u>\$15,186</u>	<u>\$14,722,936</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 36,647	\$14,759	\$14,722,936
Deferred revenue	—	—	—
Due to other funds	2,749,626	427	—
Advances from other funds	—	—	—
Other	—	—	—
Deferred compensation payable	—	—	—
Total Liabilities	<u>2,786,273</u>	<u>15,186</u>	<u>14,722,936</u>
FUND BALANCES			
Reserved for:			
Encumbrances	—	—	—
Pension benefits	—	—	—
Other	—	—	—
Unreserved:			
Undesignated	—	—	—
Total Fund Balances	<u>—</u>	<u>—</u>	<u>—</u>
Total Liabilities and Fund Balances	<u>\$2,786,273</u>	<u>\$15,186</u>	<u>\$14,722,936</u>

AGENCY FUNDS

Luxury Tax Fund	New Jersey State Employees' Deferred Compensation Plan	Outstanding Checks Account	Pension Adjustment Fund
\$ 12,287	\$ 26,909	\$ —	\$ 9,073,843
—	19,722,606	—	—
—	—	—	—
1,434,440	—	—	—
10,840,015	—	—	—
363,063	1,335,597	—	1,013,860
1,449,697	26,255,582	6,724,545	40,490,106
—	—	—	—
<u>\$14,099,502</u>	<u>\$47,340,694</u>	<u>\$6,724,545</u>	<u>\$50,577,809</u>
\$13,980,700	\$ 452,970	\$6,187,299	\$ —
—	—	—	—
118,802	—	537,246	16,019,426
—	856,283	—	—
—	—	—	34,558,383
—	46,031,441	—	—
<u>14,099,502</u>	<u>47,340,694</u>	<u>6,724,545</u>	<u>50,577,809</u>
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>\$14,099,502</u>	<u>\$47,340,694</u>	<u>\$6,724,545</u>	<u>\$50,577,809</u>

STATE OF NEW JERSEY
ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1986

	Resource Recovery Investment Tax Fund	Rutgers Medical School— Restricted Fund	School Building Aid Capital Reserve Fund
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 50,149	\$ —	\$ 83
INVESTMENTS	—	1,007,624	—
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	—	—	—
Departmental accounts	—	—	—
Loans	—	—	—
Other	—	29,882	—
OTHER ASSETS			
Due from other funds	19,260,843	7,657,063	1,471,546
Advances to other funds	—	—	—
Total Assets	<u>\$19,310,992</u>	<u>\$8,694,569</u>	<u>\$1,471,629</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	\$19,310,992	\$8,694,569	\$1,471,629
Deferred revenue	—	—	—
Due to other funds	—	—	—
Advances from other funds	—	—	—
Other	—	—	—
Deferred compensation payable	—	—	—
Total Liabilities	<u>19,310,992</u>	<u>8,694,569</u>	<u>1,471,629</u>
FUND BALANCES			
Reserved for:			
Encumbrances	—	—	—
Pension benefits	—	—	—
Other	—	—	—
Unreserved:			
Undesignated	—	—	—
Total Fund Balances	<u>—</u>	<u>—</u>	<u>—</u>
Total Liabilities and Fund Balances	<u>\$19,310,992</u>	<u>\$8,694,569</u>	<u>\$1,471,629</u>

AGENCY FUNDS

<u>Solid Waste Service Tax Fund</u>	<u>State Lottery Agency Fund</u>	<u>State of New Jersey Cash Management Fund</u>	<u>Unemployment Benefits Liability Fund</u>
\$ 15,361	\$ —	\$ 19,065,000	\$ 129,248
—	199,992,209	4,420,240,612	—
—	—	—	—
—	—	—	—
—	—	29,973,871	275,773
5,657,821	—	—	1,344,838
—	—	—	—
<u>\$5,673,182</u>	<u>\$199,992,209</u>	<u>\$4,469,279,483</u>	<u>\$1,749,859</u>
\$5,673,182	\$199,992,209	\$ 19,065,000	\$ 503,218
—	—	—	—
—	—	3,394,069,026	1,246,641
—	—	—	—
—	—	1,056,145,457	—
—	—	—	—
<u>5,673,182</u>	<u>199,992,209</u>	<u>4,469,279,483</u>	<u>1,749,859</u>
—	—	—	—
—	—	—	—
—	—	—	—
—	—	—	—
<u>5,673,182</u>	<u>\$199,992,209</u>	<u>\$4,469,279,483</u>	<u>\$1,749,859</u>

STATE OF NEW JERSEY
ALL TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1986

	University Of Medicine and Dentistry of New Jersey Construction Grant Fund	University Of Medicine and Dentistry of New Jersey Endowment Fund	University Of Medicine and Dentistry of New Jersey Endowment Fund "B"
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 3,384	\$ 612	\$ 61,663
INVESTMENTS	—	202,269	5,265,297
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Federal government	—	—	—
Departmental accounts	—	—	—
Loans	—	—	—
Other	—	9,441	91,502
OTHER ASSETS			
Due from other funds	6,330,196	104,567	722,279
Advances to other funds	—	—	—
Total Assets	\$6,333,580	\$316,889	\$6,140,741
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	\$6,333,580	\$316,889	\$6,140,741
Deferred revenue	—	—	—
Due to other funds	—	—	—
Advances from other funds	—	—	—
Other	—	—	—
Deferred compensation payable	—	—	—
Total Liabilities	6,333,580	316,889	6,140,741
FUND BALANCES			
Reserved for:			
Encumbrances	—	—	—
Pension benefits	—	—	—
Other	—	—	—
Unreserved:			
Undesignated	—	—	—
Total Fund Balances	—	—	—
Total Liabilities and Fund Balances	\$6,333,580	\$316,889	\$6,140,741

AGENCY FUNDS

University Of Medicine and Dentistry of New Jersey Grant Fund	University Of Medicine and Dentistry of New Jersey Grant Fund "B"	Sub-Total Agency Funds	Total Trust and Agency Funds
\$ 9,327	\$ 5,278	\$ 30,473,035	\$ 46,969,588
296,444	—	14,809,894,431	17,712,735,688
—	—	—	1,031,852,243
—	—	1,434,440	89,276,242
—	—	10,840,015	347,196,631
3,788	—	195,982,764	597,105,137
61,687	6,324,212	385,169,782	11,968,186,345
—	—	—	4,006,199
<u>\$371,246</u>	<u>\$6,329,490</u>	<u>\$15,433,794,467</u>	<u>\$31,797,328,073</u>
 \$371,246	 \$6,329,490	 \$ 312,553,175	 \$ 567,014,959
—	—	—	5,227,261
—	—	13,975,692,240	14,021,179,875
—	—	856,283	856,283
—	—	1,098,661,328	1,104,098,501
—	—	46,031,441	46,031,441
<u>371,246</u>	<u>6,329,490</u>	<u>15,433,794,467</u>	<u>15,744,408,320</u>
 —	 —	 —	 79,301
—	—	—	14,332,139,876
—	—	—	132,521,933
—	—	—	1,588,178,643
<u>—</u>	<u>—</u>	<u>—</u>	<u>16,052,919,753</u>
 <u>\$371,246</u>	 <u>\$6,329,490</u>	 <u>\$15,433,794,467</u>	 <u>\$31,797,328,073</u>

**STATE OF NEW JERSEY
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Community Development Bond Fund	Dental Expense Program Fund	Emergency Services Fund
REVENUES			
Taxes	\$ —	\$ —	\$ —
Federal and other grants	—	—	—
Licenses and fees	—	—	—
Services and assessments	—	—	—
Investment earnings	331,299	378,186	214,085
Contributions	—	8,515,086	—
Other	48,241	—	259,421
Total Revenues	379,540	8,893,272	473,506
OTHER INCREASES			
Transfers from other funds	—	8,348,466	2,000,000
Proceeds from sale of bonds	7,400,000	—	—
Other	93,895	7,498,640	—
Total Other Increases	7,493,895	15,847,106	2,000,000
Total Revenues and Other Increases	7,873,435	24,740,378	2,473,506
EXPENDITURES			
Public safety and criminal justice	—	—	—
Educational, cultural and intellectual development	—	—	—
Community development and environmental management	—	—	646,481
Economic planning, development and security	15,657	—	—
Government direction, management and control	—	17,153,121	—
Special government services	—	—	—
Total Expenditures	15,657	17,153,121	646,481
OTHER DECREASES			
Transfers to other funds	379,540	—	550,000
Other	—	—	—
Total Other Decreases	379,540	—	550,000
Total Expenditures and Other Decreases	395,197	17,153,121	1,196,481
Net Increases (Decreases) in Fund Balances for the Year	7,478,238	7,587,257	1,277,025
FUND BALANCES—JULY 1, 1985	—	—	1,809,051
FUND BALANCES—JUNE 30, 1986	\$7,478,238	\$ 7,587,257	\$3,086,076

Fund For Support Of Free Public Schools	Health Benefits Program Fund	Higher Education Assistance Fund	Motor Vehicle Liability Security Fund
\$ —	\$ —	\$ —	\$ —
2,999,647	—	55,368,164	—
586,205	—	2,588,326	—
—	—	—	—
3,914,463	11,975,661	1,476,829	881,753
—	222,561,406	—	—
846,480	—	2,712,809	—
8,346,795	234,537,067	62,146,128	881,753
—	119,461,061	—	—
—	—	—	—
—	—	298,604	—
—	119,461,061	298,604	—
8,346,795	353,998,128	62,444,732	881,753
—	—	—	—
—	—	52,319,205	—
—	—	—	—
—	—	—	—
—	351,050,251	—	—
—	—	—	—
—	351,050,251	52,319,205	—
5,831,436	—	23,081,741	—
—	—	—	—
5,831,436	—	23,081,741	—
5,831,436	351,050,251	75,400,946	—
2,515,359	2,947,877	(12,956,214)	881,753
42,790,112	79,214,721	37,823,274	11,518,338
\$45,305,471	\$ 82,162,598	\$24,867,060	\$12,400,091

**STATE OF NEW JERSEY
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Motor Vehicle Security Responsibility Fund	Mutual Workers' Compensation Security Fund	New Home Warranty Security Fund
REVENUES			
Taxes	\$ —	\$ —	\$ —
Federal and other grants	—	—	—
Licenses and fees	—	—	964,046
Services and assessments	—	—	6,778,610
Investment earnings	17,610	637,429	1,382,860
Contributions	—	—	—
Other	—	—	126,970
Total Revenues	17,610	637,429	9,252,486
OTHER INCREASES			
Transfers from other funds	—	—	—
Proceeds from sale of bonds	—	—	—
Other	—	—	—
Total Other Increases	—	—	—
Total Revenues and Other Increases	17,610	637,429	9,252,486
EXPENDITURES			
Public safety and criminal justice	—	—	—
Educational, cultural and intellectual development	—	—	—
Community development and environmental management	—	—	—
Economic planning, development and security	—	—	439,344
Government direction, management and control	—	—	—
Special government services	—	—	—
Total Expenditures	—	—	439,344
OTHER DECREASES			
Transfers to other funds	17,610	506,108	1,356,866
Other	—	2,401,725	—
Total Other Decreases	17,610	2,907,833	1,356,866
Total Expenditures and Other Decreases	17,610	2,907,833	1,796,210
Net Increases (Decreases) in Fund Balances for the Year	—	(2,270,404)	7,456,276
FUND BALANCES—JULY 1, 1985	—	7,280,841	13,602,505
FUND BALANCES—JUNE 30, 1986	\$ —	\$5,010,437	\$21,058,781

**NJ Federal-State
Rural
Rehabilitation
Fund**

**New Jersey
Insurance
Development Fund**

**Prescription Drug
Program Fund**

**Real Estate
Guaranty Fund**

\$ —	\$ —	\$ —	\$ —
—	—	—	—
—	—	—	71,395
—	25,400,268	—	—
40,099	2,730,171	124,418	71,240
—	—	—	—
340	—	—	—
—	—	—	—
40,439	28,130,439	124,418	142,635
—	—	—	—
—	—	12,207,599	—
—	—	—	—
—	—	—	—
—	—	12,207,599	—
—	—	—	—
40,439	28,130,439	12,332,017	142,635
—	—	—	—
—	6,816,271	—	—
—	—	—	—
7,977	—	—	—
—	—	—	71,054
—	—	—	—
—	—	10,844,528	—
—	—	—	—
7,977	6,816,271	10,844,528	71,054
—	—	—	—
—	—	—	—
—	—	—	—
7,977	6,816,271	10,844,528	71,054
—	—	—	—
—	—	—	—
—	—	—	—
32,462	21,314,168	1,487,489	71,581
528,731	28,856,378	—	926,768
561,193	50,170,546	\$ 1,487,489	998,349

**STATE OF NEW JERSEY
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	State Disability Benefit Fund	Stock Workers' Compensation Security Fund	Unclaimed Bank Deposits Escheat Reserve Fund
REVENUES			
Taxes	\$220,080,086	\$ —	\$ —
Federal and other grants	—	—	—
Licenses and fees	—	—	—
Services and assessments	—	—	—
Investment earnings	11,055,442	4,195,838	628,493
Contributions	—	—	—
Other	—	—	2,525,600
Total Revenues	231,135,528	4,195,838	3,154,093
OTHER INCREASES			
Transfers from other funds	—	—	—
Proceeds from sale of bonds	—	—	—
Other	—	—	—
Total Other Increases	—	—	—
Total Revenues and Other Increases	231,135,528	4,195,838	3,154,093
EXPENDITURES			
Public safety and criminal justice	—	—	—
Educational, cultural and intellectual development	—	—	—
Community development and environmental management	—	—	—
Economic planning, development and security	201,575,830	—	—
Government direction, management and control	—	—	235,072
Special government services	—	—	—
Total Expenditures	201,575,830	—	235,072
OTHER DECREASES			
Transfers to other funds	17,420,934	4,055,474	1,894,125
Other	2,097,000	7,116	—
Total Other Decreases	19,517,934	4,062,590	1,894,125
Total Expenditures and Other Decreases	221,093,764	4,062,590	2,129,197
Net Increases (Decreases) in Fund Balances for the Year	10,041,764	133,248	1,024,896
FUND BALANCES—JULY 1, 1985	151,144,012	42,021,361	7,219,490
FUND BALANCES—JUNE 30, 1986	\$161,185,776	\$42,154,609	\$8,244,386

Unclaimed Domestic Life Insurance Escheat Reserve Fund	Unclaimed Personal Property Trust Fund	Unemployment Compensation Fund	University Of Medicine And Dentistry Of New Jersey Self Insurance Reserve Fund
\$ —	\$ —	\$1,057,585,545	\$ —
—	—	4,659,857	—
—	—	—	—
—	—	—	—
149,932	957,230	77,447,904	1,141,463
—	—	—	—
1,008,913	13,366,669	18,222,960	—
<u>1,158,845</u>	<u>14,323,899</u>	<u>1,157,916,266</u>	<u>1,141,463</u>
—	—	—	—
—	—	—	—
—	—	—	3,087,928
—	—	—	<u>3,087,928</u>
<u>1,158,845</u>	<u>14,323,899</u>	<u>1,157,916,266</u>	<u>4,229,391</u>
—	—	—	—
—	—	—	—
—	—	—	—
—	—	678,848,491	3,218,922
13,154	1,046,588	—	—
—	—	—	—
<u>13,154</u>	<u>1,046,588</u>	<u>678,848,491</u>	<u>3,218,922</u>
906,617	10,844,004	—	—
—	—	17,793,256	—
<u>906,617</u>	<u>10,844,004</u>	<u>17,793,256</u>	<u>—</u>
<u>919,771</u>	<u>11,890,592</u>	<u>696,641,747</u>	<u>3,218,922</u>
239,074	2,433,307	461,274,519	1,010,469
<u>1,024,291</u>	<u>6,869,224</u>	<u>588,372,674</u>	<u>10,287,726</u>
<u>\$1,263,365</u>	<u>\$ 9,302,531</u>	<u>\$1,049,647,193</u>	<u>\$11,298,195</u>

**STATE OF NEW JERSEY
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Unsatisfied Claim And Judgment Fund	Veterans' Guaranteed Loan Fund	Total Expendable Trust Funds
REVENUES			
Taxes	\$ —	\$ —	\$1,277,665,631
Federal and other grants	—	—	63,027,668
Licenses and fees	4,620	—	4,214,592
Services and assessments	53,172,606	—	85,351,484
Investment earnings	5,196,887	371	124,949,663
Contributions	—	—	231,076,492
Other	401,912	2,628	39,522,943
Total Revenues	58,776,025	2,999	1,825,808,473
OTHER INCREASES			
Transfers from other funds	649,795	—	142,666,921
Proceeds from sale of bonds	—	—	7,400,000
Other	6,479,754	—	17,458,821
Total Other Increases	7,129,549	—	167,525,742
Total Revenues and Other Increases	65,905,574	2,999	1,993,334,215
EXPENDITURES			
Public safety and criminal justice	—	—	6,816,271
Educational, cultural and intellectual development	—	—	52,319,205
Community development and environmental management	—	—	654,458
Economic planning, development and security	40,406,235	—	924,575,533
Government direction, management and control	—	—	380,342,714
Special government services	—	538	538
Total Expenditures	40,406,235	538	1,364,708,719
OTHER DECREASES			
Transfers to other funds	757,186	—	67,601,641
Other	—	—	22,299,097
Total Other Decreases	757,186	—	89,900,738
Total Expenditures and Other Decreases	41,163,421	538	1,454,609,457
Net Increases (Decreases) in Fund Balances for the Year	24,742,153	2,461	538,724,758
FUND BALANCES—JULY 1, 1985	70,815,144	8,085	1,102,112,726
FUND BALANCES—JUNE 30, 1986	\$95,557,297	\$10,546	\$1,640,837,484

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**STATE OF NEW JERSEY
PENSION TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Central Pension Fund	Consolidated Police & Firemen's Pension Fund	Judicial Retirement System
REVENUES			
Contributions	\$410,696	\$ 22,610,266	\$ 9,970,273
Investment income	—	10,238,063	4,826,528
Other	—	109,105	1,447
Total Revenues	410,696	32,957,434	14,798,248
EXPENSES			
Benefit payments	410,696	37,539,563	7,980,480
Other	—	67,257	—
Total Expenses	410,696	37,606,820	7,980,480
Excess of Revenues Over Expenses	—	(4,649,386)	6,817,768
FUND BALANCES—Beginning of Year	—	113,293,362	40,106,751
FUND BALANCES—End of Year	\$ —	\$108,643,976	\$46,924,519

Police & Firemen's Retirement System	Prison Officers' Pension Fund	Public Employees' Retirement System	State Police Retirement System
\$ 238,627,302	\$3,598,538	\$ 511,511,923	\$ 30,346,788
253,608,821	52,021	413,674,435	25,685,576
123,112	2,125	510,682	13,702
492,359,235	3,652,684	925,697,040	56,046,066
 133,129,222	 3,511,177	 275,295,378	 15,414,252
26,145,679	1,305	50,062,009	179,872
159,274,901	3,512,482	325,357,387	15,594,124
 333,084,334	 140,202	 600,339,653	 40,451,942
2,583,710,658	632,615	4,429,911,990	252,113,200
\$2,916,794,992	\$ 772,817	\$5,030,251,643	\$292,565,142

**STATE OF NEW JERSEY
PENSION TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Supplemental Annuity Collective Trust	Teachers' Pension and Annuity Fund	Total Pension Trust Funds
REVENUES			
Contributions	\$ 4,912,894	\$ 504,207,196	\$ 1,326,195,876
Investment income	37,390,904	470,317,749	1,215,794,097
Other	13,726,060	583,222	15,069,455
Total Revenues	<u>56,029,858</u>	<u>975,108,167</u>	<u>2,557,059,428</u>
EXPENSES			
Benefit payments	9,606,021	311,878,242	794,765,031
Other	—	21,412,683	97,868,805
Total Expenses	<u>9,606,021</u>	<u>333,290,925</u>	<u>892,633,836</u>
Excess of Revenues Over Expenses	<u>46,423,837</u>	<u>641,817,242</u>	<u>1,664,425,592</u>
FUND BALANCES—Beginning of Year	<u>83,560,221</u>	<u>5,243,911,807</u>	<u>12,747,240,604</u>
FUND BALANCES—End of Year	<u>\$129,984,058</u>	<u>\$5,885,729,049</u>	<u>\$14,411,666,196</u>

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STATE OF NEW JERSEY
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 1986

	Central Pension Fund	Consolidated Police & Firemen's Pension Fund	Judicial Retirement System
SOURCES OF FINANCIAL RESOURCES			
Operations:			
Excess (deficit) of revenues over expenses	\$ —	\$(4,649,386)	\$6,817,768
Expenses not requiring current outlay of financial resources:			
Accretion and amortization	—	—	(9,326)
Total Sources of Financial Resources from Operations	—	(4,649,386)	6,808,442
Decrease in investments	—	1,909,056	—
Increase in accounts payable and accrued expenses	241	—	52,088
Increase in due to other funds	—	172,807	6,341
Total Sources of Financial Resources	241	(2,567,523)	6,866,871
USES OF FINANCIAL RESOURCES			
Increase in investments	—	—	1,642,695
Increase in due from other funds	241	(2,721,911)	5,078,967
Increase in receivables	—	48,807	142,485
Decrease in accounts payable and accrued expenses	—	126,196	—
Total Uses of Financial Resources	241	(2,546,908)	6,864,147
Net Increase (Decrease) in Cash and Cash Equivalents	—	(20,615)	2,724
CASH AND CASH EQUIVALENTS Beginning of Year	—	71,000	18,000
CASH AND CASH EQUIVALENTS End of Year	\$ —	\$ 50,385	\$ 20,724

<u>Police & Firemen's Retirement System</u>	<u>Prison Officers' Pension Fund</u>	<u>Public Employees' Retirement System</u>	<u>State Police Retirement System</u>
\$333,084,334	\$140,202	\$600,339,653	\$40,451,942
(1,302,117)	—	(2,606,564)	(113,021)
331,782,217	140,202	597,733,089	40,338,921
12,015,528	—	78,938,996	10,494,445
1,093,472	12,453	9,669,191	333,465
1,347,685	10,997	8,198,395	17,968
346,238,902	163,652	694,539,671	51,184,799
—	—	—	—
316,623,606	99,291	686,268,612	50,434,558
29,055,574	47,004	11,113,059	750,241
559,722	—	—	—
346,238,902	146,295	697,381,671	51,184,799
—	17,357	(2,842,000)	—
—	45,000	2,842,000	—
\$ —	\$ 62,357	\$ —	\$ —

**STATE OF NEW JERSEY
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Supplemental Annuity Collective Trust	Teachers' Pension Annuity Fund	Total Pension Trust Funds
SOURCES OF FINANCIAL RESOURCES			
Operations:			
Excess (deficit) of revenues over expenses	\$46,423,837	\$641,817,242	\$1,664,425,592
Expenses not requiring current outlay of financial resources:			
Accretion and amortization	—	(2,848,700)	(6,879,728)
Total Sources of Financial Resources from Operations	46,423,837	638,968,542	1,657,545,864
Decrease in investments	—	189,740,566	293,098,591
Increase in accounts payable and accrued expenses	139,648	10,325,560	21,626,118
Increase in due to other funds	—	756,622	10,510,815
Total Sources of Financial Resources	46,563,485	839,791,290	1,982,781,388
USES OF FINANCIAL RESOURCES			
Increase in investments	46,190,550	—	47,833,245
Increase in due from other funds	(101,354)	829,463,357	1,885,145,367
Increase in receivables	142,298	10,327,933	51,627,401
Decrease in accounts payable and accrued expenses	413,338	—	1,099,256
Total Uses of Financial Resources	46,644,832	839,791,290	1,985,705,269
Net Increase (Decrease) in Cash and Cash Equivalents	(81,347)	—	(2,923,881)
CASH AND CASH EQUIVALENTS Beginning of Year	112,000	—	3,088,000
CASH AND CASH EQUIVALENTS End of Year	\$ 30,653	\$ —	\$ 164,119

**STATE OF NEW JERSEY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Balance July 1, 1985	Additions	Deductions	Balance June 30, 1986
ALTERNATE BENEFIT PROGRAM FUND				
Assets				
Cash	\$ —	\$ 61,360,200	\$ 59,472,325	\$ 1,887,875
Receivables—Other	645,856	501,045	645,856	501,045
Due from other funds	5,490,825	57,189,332	59,805,943	2,874,214
Total Assets	\$ 6,136,681	\$ 119,050,577	\$ 119,924,124	\$ 5,263,134
Liabilities				
Accounts payable	\$ 2,792,001	\$ 68,726,354	\$ 68,563,236	\$ 2,955,119
Due to other funds	3,344,680	2,308,015	3,344,680	2,308,015
Total Liabilities	\$ 6,136,681	\$ 71,034,369	\$ 71,907,916	\$ 5,263,134
COMMON PENSION FUND "A"				
Assets				
Cash	\$ 10,259	\$4,170,488,659	\$4,170,498,918	\$ —
Investments	3,924,293,283	1,831,472,007	808,224,519	4,947,540,771
Receivables—Other	16,717,300	18,082,943	16,717,300	18,082,943
Due from other funds	46,111,128	2,155,158,356	2,060,775,292	140,494,192
Total Assets	\$3,987,131,970	\$8,175,201,965	\$7,056,216,029	\$5,106,117,906
Liabilities				
Due to other funds	\$3,979,187,902	\$1,316,700,888	\$ 197,728,372	\$5,098,160,418
Other	7,944,068	13,420	—	7,957,488
Total Liabilities	\$3,987,131,970	\$1,316,714,308	\$ 197,728,372	\$5,106,117,906
COMMON PENSION FUND "B"				
Assets				
Cash	\$ 7	\$3,757,517,724	\$3,757,512,914	\$ 4,817
Investments	4,182,547,935	1,578,687,848	545,609,184	5,215,626,599
Receivables—Other	117,115,039	144,026,226	117,115,039	144,026,226
Due from other funds	89,938,632	1,708,294,104	1,697,407,765	100,824,971
Total Assets	\$4,389,601,613	\$7,188,525,902	\$6,117,644,902	\$5,460,482,613
Liabilities				
Due to other funds	\$4,389,601,613	\$1,577,638,930	\$ 506,757,930	\$5,460,482,613
Total Liabilities	\$4,389,601,613	\$1,577,638,930	\$ 506,757,930	\$5,460,482,613

STATE OF NEW JERSEY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986

	Balance July 1, 1985	Additions	Deductions	Balance June 30, 1986
DISABILITY BENEFIT LIABILITY FUND				
Assets				
Cash	\$ 118,603	\$16,409,821	\$16,401,284	\$ 127,140
Receivables—Other	252,038	275,773	252,038	275,773
Due from other funds	2,189,456	9,568,460	9,374,556	2,383,360
Total Assets	\$ 2,560,097	\$26,254,054	\$26,027,878	\$ 2,786,273
Liabilities				
Accounts payable	\$ 751	\$ 35,896	\$ —	\$ 36,647
Due to other funds	2,559,346	8,153,879	7,963,599	2,749,626
Total Liabilities	\$ 2,560,097	\$ 8,189,775	\$ 7,963,599	\$ 2,786,273
GENERAL TRUST FUND				
Assets				
Cash	\$ 59	\$ 10,986	\$ 10,986	\$ 59
Due from other funds	5,686	10,427	986	15,127
Total Assets	\$ 5,745	\$ 21,413	\$ 11,972	\$ 15,186
Liabilities				
Accounts payable	\$ 4,759	\$ 10,000	\$ —	\$ 14,759
Due to other funds	986	427	986	427
Total Liabilities	\$ 5,745	\$ 10,427	\$ 986	\$ 15,186
LUXURY TAX DEVELOPMENT FUND				
Assets				
Cash	\$ —	\$15,093,611	\$15,093,611	\$ —
Due from other funds	14,183,953	15,632,594	15,093,611	14,722,936
Total Assets	\$14,183,953	\$30,726,205	\$30,187,222	\$14,722,936
Liabilities				
Accounts payable	\$14,183,953	\$ 1,238,983	\$ 700,000	\$14,722,936
Total Liabilities	\$14,183,953	\$ 1,238,983	\$ 700,000	\$14,722,936

**STATE OF NEW JERSEY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	<u>Balance July 1, 1985</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1986</u>
LUXURY TAX FUND				
<u>Assets</u>				
Cash	\$ (311,929)	\$39,997,210	\$39,672,994	\$ 12,287
Receivables—Other	12,061,756	1,797,503	1,221,741	12,637,518
Due from other funds	14,869,801	11,788,507	25,208,611	1,449,697
Total Assets	<u>\$26,619,628</u>	<u>\$53,583,220</u>	<u>\$66,103,346</u>	<u>\$14,099,502</u>
<u>Liabilities</u>				
Accounts payable	\$12,435,675	\$15,678,653	\$14,133,628	\$13,980,700
Due to other funds	14,183,953	328,460	14,393,611	118,802
Total Liabilities	<u>\$26,619,628</u>	<u>\$16,007,113</u>	<u>\$28,527,239</u>	<u>\$14,099,502</u>

**NEW JERSEY STATE EMPLOYEES'
DEFERRED COMPENSATION PLAN**

<u>Assets</u>				
Cash	\$ 18,615	\$13,758,722	\$13,750,428	\$ 26,909
Investments	8,804,363	14,853,703	3,935,460	19,722,606
Receivables—Other	988,827	16,139,455	15,792,685	1,335,597
Due from other funds	20,933,911	19,879,597	14,557,926	26,255,582
Total Assets	<u>\$30,745,716</u>	<u>\$64,631,477</u>	<u>\$48,036,499</u>	<u>\$47,340,694</u>
<u>Liabilities</u>				
Accounts payable	\$ 353,750	\$ 2,671,421	\$ 2,572,201	\$ 452,970
Advances from other funds	856,283	—	—	856,283
Deferred compensation payable	29,535,683	18,848,806	2,353,048	46,031,441
Total Liabilities	<u>\$30,745,716</u>	<u>\$21,520,227</u>	<u>\$ 4,925,249</u>	<u>\$47,340,694</u>

OUTSTANDING CHECKS ACCOUNT

<u>Assets</u>				
Cash	\$ 26,553	\$ 4,082,461	\$ 4,109,014	\$ —
Due from other funds	7,536,833	2,187,246	2,999,534	6,724,545
Total Assets	<u>\$ 7,563,386</u>	<u>\$ 6,269,707</u>	<u>\$ 7,108,548</u>	<u>\$ 6,724,545</u>
<u>Liabilities</u>				
Accounts payable	\$ 6,939,023	\$ 1,601,097	\$ 2,352,821	\$ 6,187,299
Due to other funds	624,363	537,246	624,363	537,246
Total Liabilities	<u>\$ 7,563,386</u>	<u>\$ 2,138,343</u>	<u>\$ 2,977,184</u>	<u>\$ 6,724,545</u>

STATE OF NEW JERSEY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986

	Balance July 1, 1985	Additions	Deductions	Balance June 30, 1986
PENSION ADJUSTMENT FUND				
<u>Assets</u>				
Cash	\$ 9,315,173	\$178,184,226	\$178,425,556	\$ 9,073,843
Receivable—Other	1,384,154	64,556,910	64,927,204	1,013,860
Due from other funds	34,128,147	298,140,975	291,779,016	40,490,106
Total Assets	<u>\$44,827,474</u>	<u>\$540,882,111</u>	<u>\$535,131,776</u>	<u>\$50,577,809</u>
<u>Liabilities</u>				
Due to other funds	\$15,012,440	\$175,679,898	\$174,672,912	\$16,019,426
Other	29,815,034	184,253,572	179,510,223	34,558,383
Total Liabilities	<u>\$44,827,474</u>	<u>\$359,933,470</u>	<u>\$354,183,135</u>	<u>\$50,577,809</u>
RESOURCE RECOVERY INVESTMENT TAX FUND				
<u>Assets</u>				
Cash	\$ 1,253,441	\$ 18,182,970	\$ 19,386,262	\$ 50,149
Due from other funds	—	20,019,105	758,262	19,260,843
Total Assets	<u>\$ 1,253,441</u>	<u>\$ 38,202,075</u>	<u>\$ 20,144,524</u>	<u>\$19,310,992</u>
<u>Liabilities</u>				
Accounts payable	\$ 1,253,441	\$ 18,057,551	\$ —	\$19,310,992
Total Liabilities	<u>\$ 1,253,441</u>	<u>\$ 18,057,551</u>	<u>\$ —</u>	<u>\$19,310,992</u>
RUTGERS MEDICAL SCHOOL-RESTRICTED FUND				
<u>Assets</u>				
Cash	\$ 528	\$ 4,503,368	\$ 4,503,896	\$ —
Investments	993,242	14,682	300	1,007,624
Receivables—Other	29,881	29,882	29,881	29,882
Due from other funds	6,465,189	3,972,604	2,780,730	7,657,063
Total Assets	<u>\$ 7,488,840</u>	<u>\$ 8,520,536</u>	<u>\$ 7,314,807</u>	<u>\$ 8,694,569</u>
<u>Liabilities</u>				
Accounts payable	\$ 7,488,840	\$ 2,264,326	\$ 1,058,597	\$ 8,694,569
Total Liabilities	<u>\$ 7,488,840</u>	<u>\$ 2,264,326</u>	<u>\$ 1,058,597</u>	<u>\$ 8,694,569</u>

**STATE OF NEW JERSEY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	<u>Balance July 1, 1985</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1986</u>
SCHOOL BUILDING AID CAPITAL RESERVE FUND				
<u>Assets</u>				
Cash	\$ 2,782	\$ 1,703,794	\$ 1,706,493	\$ 83
Due from other funds	1,504,794	1,670,546	1,703,794	1,471,546
Total Assets	<u>\$ 1,507,576</u>	<u>\$ 3,374,340</u>	<u>\$ 3,410,287</u>	<u>\$ 1,471,629</u>
<u>Liabilities</u>				
Accounts payable	\$ 1,507,576	\$ 115,753	\$ 151,700	\$ 1,471,629
Total Liabilities	<u>\$ 1,507,576</u>	<u>\$ 115,753</u>	<u>\$ 151,700</u>	<u>\$ 1,471,629</u>
SOLID WASTE SERVICE TAX FUND				
<u>Assets</u>				
Cash	\$ 444,320	\$ 5,036,041	\$ 5,465,000	\$ 15,361
Due from other funds	—	5,672,821	15,000	5,657,821
Total Assets	<u>\$ 444,320</u>	<u>\$10,708,862</u>	<u>\$ 5,480,000</u>	<u>\$ 5,673,182</u>
<u>Liabilities</u>				
Accounts payable	\$ 444,320	\$ 5,228,862	\$ —	\$ 5,673,182
Total Liabilities	<u>\$ 444,320</u>	<u>\$ 5,228,862</u>	<u>\$ —</u>	<u>\$ 5,673,182</u>
STATE LOTTERY AGENCY FUND				
<u>Assets</u>				
Investments	\$142,812,252	\$77,777,013	\$20,597,056	\$199,992,209
Total Assets	<u>\$142,812,252</u>	<u>\$77,777,013</u>	<u>\$20,597,056</u>	<u>\$199,992,209</u>
<u>Liabilities</u>				
Accounts payable	\$142,812,252	\$77,777,013	\$20,597,056	\$199,992,209
Total Liabilities	<u>\$142,812,252</u>	<u>\$77,777,013</u>	<u>\$20,597,056</u>	<u>\$199,992,209</u>

**STATE OF NEW JERSEY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Balance July 1, 1985	Additions	Deductions	Balance June 30, 1986
STATE OF NEW JERSEY CASH MANAGEMENT FUND				
Assets				
Cash	\$ —	\$ 57,914,111,851	\$57,895,046,851	\$ 19,065,000
Investments	3,786,213,075	42,306,191,127	41,672,163,590	4,420,240,612
Receivables—Other	31,252,149	294,522,723	295,801,001	29,973,871
Total Assets	\$3,817,465,224	\$100,514,825,701	\$99,863,011,442	\$4,469,279,483
Liabilities				
Accounts payable	\$ 15,163,064	\$ 19,065,000	\$ 15,163,064	\$ 19,065,000
Due to other funds	3,052,108,786	14,341,056,442	13,999,096,202	3,394,069,026
Other	750,193,374	2,227,853,923	1,921,901,840	1,056,145,457
Total Liabilities	\$3,817,465,224	\$ 16,587,975,365	\$15,936,161,106	\$4,469,279,483
UNEMPLOYMENT BENEFITS LIABILITY FUND				
Assets				
Cash	\$ 119,899	\$ 11,046,811	\$ 11,037,462	\$ 129,248
Receivables—Other	252,038	341,943	318,208	275,773
Due from other funds	1,430,482	5,426,826	5,512,470	1,344,838
Total Assets	\$ 1,802,419	\$ 16,815,580	\$ 16,868,140	\$ 1,749,859
Liabilities				
Accounts payable	\$ —	\$ 5,850,193	\$ 5,346,975	\$ 503,218
Due to other funds	1,802,419	5,346,975	5,902,753	1,246,641
Total Liabilities	\$ 1,802,419	\$ 11,197,168	\$ 11,249,728	\$ 1,749,859
UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY CONSTRUCTION GRANT FUND				
Assets				
Cash	\$ 2,239	\$ 10,316,545	\$ 10,315,400	\$ 3,384
Due from other funds	1,496,951	8,048,481	3,215,236	6,330,196
Total Assets	\$ 1,499,190	\$ 18,365,026	\$ 13,530,636	\$ 6,333,580
Liabilities				
Accounts payable	\$ 1,499,190	\$ 7,538,554	\$ 2,704,164	\$ 6,333,580
Total Liabilities	\$ 1,499,190	\$ 7,538,554	\$ 2,704,164	\$ 6,333,580

STATE OF NEW JERSEY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986

	Balance July 1, 1985	Additions	Deductions	Balance June 30, 1986
UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY ENDOWMENT FUND				
Assets				
Cash	\$ 402	\$ 192,170	\$ 191,960	\$ 612
Investments	202,120	149	—	202,269
Receivables—Other	9,421	9,441	9,421	9,441
Due from other funds	81,638	180,980	158,051	104,567
Total Assets	\$ 293,581	\$ 382,740	\$ 359,432	\$ 316,889
Liabilities				
Accounts payable	\$ 293,581	\$ 40,616	\$ 17,308	\$ 316,889
Total Liabilities	\$ 293,581	\$ 40,616	\$ 17,308	\$ 316,889

**UNIVERSITY OF MEDICINE AND DENTISTRY
OF NEW JERSEY ENDOWMENT FUND "B"**

Assets				
Cash	\$ 1,294	\$1,727,653	\$1,667,284	\$ 61,663
Investments	5,363,966	1,331	100,000	5,265,297
Receivables—Other	91,267	91,502	91,267	91,502
Due from other funds	674,626	1,098,479	1,050,826	722,279
Total Assets	\$6,131,153	\$2,918,965	\$2,909,377	\$6,140,741
Liabilities				
Accounts payable	\$6,131,153	\$ 546,860	\$ 537,272	\$6,140,741
Total Liabilities	\$6,131,153	\$ 546,860	\$ 537,272	\$6,140,741

**UNIVERSITY OF MEDICINE AND DENTISTRY
OF NEW JERSEY GRANT FUND**

Assets				
Cash	\$ 10,087	\$ 91,638	\$ 92,398	\$ 9,327
Investments	296,365	79	—	296,444
Receivables—Other	3,788	3,788	3,788	3,788
Due from other funds	69,763	61,137	69,213	61,687
Total Assets	\$ 380,003	\$ 156,642	\$ 165,399	\$ 371,246
Liabilities				
Accounts payable	\$ 380,003	\$ 27,466	\$ 36,223	\$ 371,246
Total Liabilities	\$ 380,003	\$ 27,466	\$ 36,223	\$ 371,246

**STATE OF NEW JERSEY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Balance July 1, 1985	Additions	Deductions	Balance June 30, 1986
UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY GRANT FUND "B"				
<u>Assets</u>				
Cash	\$ 1,374	\$ 4,788,726	\$ 4,784,822	\$ 5,278
Due from other funds	2,770,760	4,905,784	1,352,332	6,324,212
Total Assets	\$ 2,772,134	\$ 9,694,510	\$ 6,137,154	\$ 6,329,490
<u>Liabilities</u>				
Accounts payable	\$ 2,772,134	\$ 3,768,846	\$ 211,490	\$ 6,329,490
Total Liabilities	\$ 2,772,134	\$ 3,768,846	\$ 211,490	\$ 6,329,490
TOTAL—ALL AGENCY FUNDS				
<u>Assets</u>				
Cash	\$ 11,013,706	\$ 66,228,605,187	\$ 66,209,145,858	\$ 30,473,035
Investments	12,051,526,601	45,808,997,939	43,050,630,109	14,809,894,431
Receivables—Other	180,803,514	540,379,134	512,925,429	208,257,219
Due from other funds	249,882,575	4,328,906,361	4,193,619,154	385,169,782
Total Assets	\$12,493,226,396	\$116,906,888,621	\$113,966,320,550	\$15,433,794,467
<u>Liabilities</u>				
Accounts payable	\$ 216,455,466	\$ 230,243,444	\$ 134,145,735	\$ 312,553,175
Due to other funds	11,458,426,488	17,427,751,160	14,910,485,408	13,975,692,240
Advances from other funds	856,283	—	—	856,283
Other	787,952,476	2,412,120,915	2,101,412,063	1,098,661,328
Deferred compensation payable	29,535,683	18,848,806	2,353,048	46,031,441
Total Liabilities	\$12,493,226,396	\$ 20,088,964,325	\$ 17,148,396,254	\$15,433,794,467

**STATE OF NEW JERSEY
TRUST AND AGENCY FUNDS
DESCRIPTION OF FUNDS**

EXPENDABLE TRUST FUNDS

**Community Development Bond Fund
(P.L. 1981, c.486)**

An amount of \$85,000,000 was authorized to capitalize the New Jersey Local Development Financing Fund and to provide support for the revitalization, development and creation of urban industrial parks in the communities. \$45,000,000 is allocated to capitalize the New Jersey Local Development Financing Fund, \$30,000,000 is allocated for low-interest loans and grants to counties, municipalities, and other entities for assisting capital construction projects which will aid in the revitalization of distressed urban areas and in the promotion of the economic and social development of older central commercial districts of rural and developing communities. The remaining \$10,000,000 is allocated to provide financial assistance for the creation and development of urban industrial parks.

**Dental Expense Program Fund
(N.J.S.A. 52:14-17.29)**

This program is available to most State employees who are eligible to participate in the State health benefits program for themselves and their dependents. The cost is borne jointly by the State and the employee. The employee may select either the traditional insurance coverage with an insurance carrier or enrollment in one of the participating dental plan organizations. Under the traditional insurance coverage, each year the covered employee and dependents must satisfy the specified deductible, after which the insurance will pay 80% of the additional eligible charges incurred during that particular year. The dental plan organizations provide prepaid plans where the payroll deductions cover all eligible services except for specified co-payments.

Emergency Services Fund (N.J.S.A. 52:14E-5)

This Fund was established in 1972 to reimburse municipalities or counties for damage or excess costs as a result of an emergency. Payments must be certified by the Governor's Advisory Council and approved by the Governor.

**Fund For Support Of Free Public Schools
(N.J.S.A. 18A:56-1)**

This Fund was formerly known as "The School Fund." The constitution of 1844 provided that such funds for the support of free schools remain a perpetual fund (Article VII, Section IV, Paragraph 2). The accounting for the moneys deposited and expended is recorded by the use of two funds: i.e., School Fund—Income Account, and School Fund—Investment Account.

The School Fund—Income Account consists of rents received on leased riparian lands of the State, licenses, and fees related to such lands, and the income from earnings on investment. The income is appropriated by the Annual Appropriations Act for the support of free public schools. The income of the Fund is then transferred to the General Fund in support of such appropriations.

The School Fund—Investment Account is utilized for the proceeds of the sale of riparian lands of the State which are held and reserved as a perpetual fund. Moneys reserved may be used to purchase bonds of a school district, issued for school purposes after December 4, 1958, from the bondholders or to pay to such bondholders the interest due thereon when such school district has certified to the Commissioner of Education and the Director of Local Government Services its inability to meet the payments.

P.L. 1980, c.72 enacted on July 16, 1980, known as the "New Jersey School Bond Reserve Act," provides for the establishment of a School Bond Reserve within the School Fund, in an amount equal to at least 1½% of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes, exclusive of bonds the debt service for which is provided by state appropriations.

**Health Benefits Program Fund
(N.J.S.A. 52:14-17.25 et seq.)**

This program provides basic health services for employees of State and local governments. Employees may enroll in either a traditional plan with the insurance carrier or a health maintenance organization (HMO) plan. The traditional coverage includes basic and extended hospital benefits, basic and extended medical-surgical benefits, major medical benefits, and for employees between the ages of 65 and 69, the option to select from the traditional program for coverage or the Federal Medicare Program. An HMO provides employees with a wider range of preventive health care. It contemplates less hospitalization and greater use of outpatient facilities. In addition to a prepaid fixed monthly premium, the employee or dependent may be required to pay a small charge when visiting the HMO facility. This plan also provides for hospital services, skilled nursing and home health care treatment.

**Higher Education Assistance Fund
(N.J.S.A. 18A:72-8)**

This Fund accounts for the guaranteed loans made by financial institutions to assist qualified persons in meeting the costs of higher education in certain educational institutions. Defaulted loans are purchased

from the financial institutions. A direct loan program was subsequently added to the Fund activities.

**Motor Vehicle Liability Security Fund
(N.J.S.A. 39:6-94)**

Moneys credited from receipts of insurers authorized to deal in vehicle liability insurance for New Jersey motor vehicles is deposited in this Fund. The Act provides for the payment of remaining benefits payable in the event of insolvency of the insurer.

**Motor Vehicle Security-Responsibility Fund
(N.J.S.A. 39:6-30.1)**

Security deposits made by motorists not having the required minimum motor vehicle insurance coverage in the State, who have been involved in a motor vehicle accident resulting in bodily injury or death and/or property damage, are recorded in this Fund. The deposits may be disbursed in satisfaction of judgments rendered and/or the return to motorist of such unused portion upon release of liability.

**Mutual Workers' Compensation Security Fund
(N.J.S.A. 34:15-112)**

Moneys received from assessments levied against mutual and stock insurance carriers writing workers' compensation insurance in the State are deposited in this Fund. Payments from the Mutual or Stock Workers' Compensation Fund are made to persons entitled to receive workers' compensation when a mutual or stock carrier is determined to be insolvent.

**New Home Warranty Security Fund
(N.J.S.A. 46:3B-7)**

Moneys received from participating builders of dwellings not previously occupied, excluding those constructed solely for lease, are deposited in this Fund. Payments are authorized by approved claims of owners for defects in new homes covered by the new home warranty.

**New Jersey Federal-State Rural Rehabilitation Fund
(N.J.S.A. 52:18A-1 et seq.)**

This Fund was established to receive moneys from the Federal Government previously accounted for by the Department of Agriculture. The moneys are available for loans to farmers in New Jersey.

**New Jersey Insurance Development Fund
(N.J.S.A. 17:37A-18)**

Receipts derived from a surcharge on all basic property insurance premiums paid for insurance policies written in the State, collected by the insurer, and remitted to the State are deposited in this Fund. Payments from the Fund reimburse any insurer or the New Jersey Insurance Underwriting Association for losses sustained. The reimbursement in any given calendar year shall not, however, exceed 5 percent of the insurance premiums written on essential property insurance in the State in the most recent full calendar year.

**Prescription Drug Program Fund
(N.J.S.A. 52:14-17.29)**

This program helps meet the cost of drugs prescribed for eligible employees and their dependents for use outside of hospitals, nursing homes or other institutions. Included are those drugs which, as required by Federal law, can be dispensed only upon a written prescription order by a physician. The program covers the full cost of a prescription item dispensed by a licensed participating pharmacy, less a co-payment charge for each eligible prescription and prescription refill. All full-time State employees are eligible to enroll for coverage in the program without cost to the employee.

Real Estate Guaranty Fund (N.J.S.A. 45:15-34)

Moneys received from additional fees on annual licenses of real estate brokers and real estate salesmen are deposited in this Fund. Claim payments, as certified by court orders, are made to persons aggrieved by the embezzlement, conversion, or unlawful obtaining of money or property by a licensed real estate broker or a real estate salesman, or an unlicensed employee of a real estate broker.

State Disability Benefit Fund (N.J.S.A. 43:21-46a)

Deposits from contributions of workers and employers who are subject to the contribution section on taxable wages under the unemployment compensation law of the State; and from special assessments, fines, penalties, and investment earnings are recorded in the Fund. Payments from the Fund may be made to persons entitled to disability benefits and benefits not covered by the Workers' Compensation Law, for authorized refunds of contributions and for administrative expenses.

**Stock Workers' Compensation Security Fund
(N.J.S.A. 34:15-105)**

See Mutual Workers' Compensation Security Fund.

**Unclaimed Bank Deposits Escheat Reserve Fund
(N.J.S.A. 17:9-25b)**

This Fund accounts for moneys received from banks located within the State, representing unclaimed balances of depositors' deposits which, after ten years, are escheatable to the State. Seventy-five percent of the receipts are escheated to the General Fund of the State. The remaining twenty-five percent is retained in the Fund. Earnings on the investment of the moneys of the Fund inure to the credit of the Fund.

Payments from the Fund are authorized for (a) payment of the seventy-five percent that escheats to the General Fund of the State; (b) payments of claims submitted and approved of the principal amounts escheated; and (c) payment of expenses and costs incurred by the State Treasurer and the Attorney General for administrative purposes.

Unclaimed Domestic Life Insurance Escheat Reserve Fund (N.J.S.A. 17B:31-7)

This Fund accounts for any unclaimed moneys received from the insurance companies authorized to write life insurance in the State, due and payable to any person entitled and which has remained unclaimed after a five-year period. Seventy-five percent of the receipts are escheated to the General Fund. The remaining twenty-five percent, if still unclaimed, escheats to the General Fund after five additional years.

Payments from the Fund are authorized to transfer those amounts escheatable to the General Fund and for the payment of any approved claim to or in behalf of any person entitled to receive the same. Earnings on any funds invested are also authorized to be transferred to the General Fund.

Unclaimed Personal Property Trust Fund (N.J.S.A. 2A:37-41)

Amounts received by the State from holders of personal property, presumed abandoned, due and payable to owners of last known address but unclaimed for various past successive years, are received into this Fund. Seventy-five percent of such amounts are escheated to the General Fund when received. The remaining twenty-five percent is retained in the Fund for five years. Payments from the Fund are authorized for loans by legislation as enacted by the Legislature and approved by the Governor. Payments of claims presented by the owner are made after approval by the State Treasurer. The balance of the twenty-five percent retained for the five-year period which has not been claimed by the owners is then escheatable to the General Fund. Amounts representing unclaimed pensions do not escheat to the State. Such amounts escheat back to the respective pension fund from where payable. Should any claim approved for payment exceed the balance of moneys available herein, the difference is payable out of unappropriated funds of the General Fund.

Unemployment Compensation Fund (N.J.S.A. 43:21-9a)

This Fund accounts for moneys deposited from contributions of employers and employees for unemployment compensation, amounts credited or advances made by the Federal government and amounts received herein from any other source.

After consideration is given to any claim for refund of overpayment of contributions, the remainder is transferred by the Division of Employment Security to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund and held by the Treasurer of the United States in the State of New Jersey Unemployment Trust Fund. Drawdowns against the State of New Jersey Unemployment Trust Fund are made by requests submitted to the Treasurer of the United States by the Division of Employment Security on an as-need basis, which amounts are trans-

ferred back to the Unemployment Compensation Fund and are then disbursed by the Division of Employment Security to persons entitled to receive unemployment benefits.

Any shortfall in the Unemployment Compensation Fund needed to pay benefits is covered by Federal statutes which authorize advances from the Federal Government for unemployment benefits. Such advances are repayable by increased rates on federally taxable wages reported by New Jersey employers, or the advances may be repaid out of the Fund assets at any time by the Governor.

University Of Medicine And Dentistry Of New Jersey—Self-Insurance Reserve Fund (N.J.S.A. 52:18A-1 et seq.)

This Fund is established by a trust agreement between the State and the University of Medicine and Dentistry to cover malpractice claims against the hospitals and the University. Fund deposits are managed by the Division of Investment with earnings increasing the Fund. This insurance is required by the New Jersey Health Care Facilities Financing Authority for protection of the Authority's bondholders.

Unsatisfied Claim And Judgment Fund (N.J.S.A. 39:6-61)

Receipts from insurance companies, as assessed by the Director of the Division of Motor Vehicles, recoveries of judgments entered against uninsured motorists, and amounts credited from earnings on investments are deposited in this Fund.

Payments are authorized for approved claims to entitled persons resulting from bodily injury, death, and/or damage to property up to specified maximum amounts, exclusive of interest and costs. In addition, payments of no-fault benefits on hit and run and non-insured cases resulting in bodily injury caused by an accident involving a motor vehicle are likewise authorized. Payments are made for amounts of medical expense benefits which exceed the maximum allowable amount payable for medical expense coverage under the no-fault provision of the New Jersey Automobile Reparation Reform Act. Administrative expenses are also payable as are approved refunds of excess recoveries on judgments.

Veterans' Guaranteed Loan Fund (N.J.S.A. 38:23B-5)

This Fund accounts for funds that guarantee bank loans to certain war veterans. Upon request by the lending bank, a loan to a veteran on which principal is unpaid thirty days after date of maturity or on which installments are more than three months in arrears, together with any unpaid accrued interest, may be purchased by the Fund upon approval of the Veterans' Loan Authority. The Authority thereupon assumes the responsibility for the collection of the defaulted loan and any accrued interest thereon that has been

purchased from the bank by the Fund. Receipts are applied against the principal and/or interest of the defaulted loan. Payments from the Fund are also authorized for all administrative expenses.

PENSION TRUST FUNDS

Central Pension Fund

This Fund administers a series of noncontributory pension acts. No reserves are established for the payment of retirement benefits. These benefits are funded on a pay-as-you-go basis in accordance with the governing statute and the rules and regulations of the State House Commission. The unfunded actuarial liability has not been determined.

Consolidated Police and Firemen's Pension Fund (N.J.S.A. 43:16)

This Fund was established to place 212 local police and firemen pension funds on an actuarial basis. The membership consists of policemen and firemen appointed prior to July 1, 1944. The liabilities of these local funds were shared: two-thirds by the participating counties and municipalities and one-third by the State.

Judicial Retirement System (N.J.S.A. 43:6A)

This system provides pension benefits to members of the State judiciary. The system is maintained on an actuarial reserve basis.

Police and Firemen's Retirement System (N.J.S.A. 43:16A)

All police and firemen, appointed after June 1944 in municipalities where local police and firemen pension funds existed or where this system was adopted by referendum or resolution, are required to become members of this system. Certain state and county employees are also covered. Employer obligations are paid by the local employers and the State. This Fund is maintained on an actuarial reserve basis.

Prison Officers' Pension Fund (N.J.S.A. 43:7)

This is a closed system for certain employees of State penal institutions and is funded on a pay-as-you-go basis.

Public Employees' Retirement System (N.J.S.A. 43:15A)

Most public employees in New Jersey, not required to become members of another contributory retirement program, are required to enroll in this system. The retirement benefits of this system are coordinated, but not integrated, with social security. This Fund is maintained on an actuarial reserve basis.

State Police Retirement System (N.J.S.A. 53:5A)

This system was created in July 1965 as successor to the State Police Retirement and Benevolent Fund. All uniformed officers and troopers of the Division of State Police in the New Jersey Department of Law and

Public Safety are required to enroll. This system is maintained on an actuarial reserve basis.

Supplemental Annuity Collective Trust (N.J.S.A. 52:18A-110)

Any active, contributing member of the several State-administered retirement systems may enroll in this program. Members agree to make voluntary additional contributions through their pension funds to purchase variable retirement annuities in order to supplement the benefits provided by their basic system. Some employers agree to purchase tax-sheltered annuities for the same purpose for certain eligible public employees.

Teachers' Pension and Annuity Fund (N.J.S.A. 18A:66)

Most employees in every school district in the State and in the county vocational schools, as well as certain employees in the State Department of Education, are members of this Fund. The system of retirement benefits is coordinated, but not integrated, with social security. The Fund is maintained on an actuarial reserve basis.

NON EXPENDABLE TRUST FUND

State Of New Jersey—Tischler Memorial Fund (N.J.S.A. 52:18A-1 et seq.)

This Fund was established under the authority of the State Treasurer in accordance with the terms of a bequest to the State of New Jersey; the principal amount of the Fund is to be invested in a prudent manner and the income from such investment is to be used for library materials.

AGENCY FUNDS

Alternate Benefit Programs Fund (N.J.S.A. 18A:66-167 et seq.)

The Alternate Benefit Programs were established for full-time faculty members of public institutions of higher education. All eligible faculty members were permitted to transfer their interests in State retirement systems to these programs. Participants have the option to provide for their pensions through fixed annuities underwritten by the Teachers Insurance and Annuity Association (TIAA) or variable annuities purchased through the College Retirement Equities Fund (CREF). The minimum contribution by employees is 5% of their base salary, and the State will contribute a flat rate of 8% of base salary. Almost immediate vesting is available to those participating in the Alternate Benefit Programs.

Common Pension Fund "A" (N.J.S.A. 52:18A-90.1) Common Pension Fund "B" (N.J.S.A. 52:18A-90.1)

The Division of Investment is authorized to establish, maintain and operate common trust funds. Pension

deposits from various funds are transferred for investment purposes to these common pension funds. Funds representing original sums plus accumulated earnings are then returned to the Division of Pensions and credited to the respective pension funds.

Disability Benefit Liability Fund (N.J.S.A. 43:21-27)

This Fund includes the amounts withheld from state employees' salaries for state employees' disability benefits and for the State's share of funds appropriated by the Annual Appropriations Act, which in total are transferred to the State Disability Benefit Fund.

General Trust Fund (N.J.S.A. 52:18-25.2b)

The principal amount of bonds and coupons unredeemed over two years are withdrawn from bank accounts and deposited in this Fund for investment. When presented for payment, these overdue bonds and coupons are redeemed from this Fund.

Luxury Tax Fund (N.J.S.A. 40:48-8.30a(B))

This Fund accounts for revenues collected under the provisions of the Luxury Tax Fund Act. The Act amends existing statutes wherein Atlantic City imposes a tax on certain sales and services. A portion of these tax revenues are dedicated to the payment of debt service on bonds issued for construction of Convention Hall facilities, debt service on bonds issued for low and moderate income housing, subsidization of Convention Center operating budget deficits and providing housing opportunities for low and moderate income families.

Luxury Tax Development Fund (N.J.S.A. 40:48-8.30a(B))

The Fund was established for the deposit of Luxury Tax revenues in excess of statutory requirements. Development funds are dedicated for various housing projects in Atlantic City.

New Jersey State Employees' Deferred Compensation Plan

This Fund represents the activity of the deferred compensation plan by which amounts contributed by participating employees are invested through various investment options. Included in the Fund are those amounts contributed by participants through payroll withholding, plus investment earnings and appreciation in asset values related to those moneys.

Outstanding Checks Account (N.J.S.A. 52:18-25.1)

Amounts withdrawn from state demand bank accounts, over which the State Treasurer has custody and control, which represent outstanding and unpaid checks over one year old are deposited in this Fund. These amounts are held until (a) the outstanding check is presented for payment, or (b) the check is outstanding for a period of six years, in which case the amount is transferred to the General Fund.

Pension Adjustment Fund (N.J.S.A. 43:3B)

This Fund covers all eligible pensioners of the State-administered retirement systems. This Fund provides cost-of-living allowances for retirees of the pension trust funds. The statutes provide that payments are contingent upon annual appropriation by the Legislature. This Fund is funded on a pay-as-you-go basis.

Resource Recovery Investment Tax Fund (P.L. 1985, c.38)

Receipts generated by the investment tax and waste importation tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this Fund. The revenues are then allocated to counties based on statutory regulations.

Rutgers Medical School—Restricted Fund (N.J.S.A. 52:18A-1 et seq.)

The Division of Investment is permitted to establish, maintain, and operate one or more common trust funds. Moneys in the above Fund, formerly held and maintained by Rutgers University, were turned over to the State for investment management purposes and are returnable, together with the investment earnings, to the University.

School Building Aid—Capital Reserve Fund (N.J.S.A. 18:10-29.54)

This is a building aid reserve fund for each school district having funds on deposit as of September 1975. Deposits as of that date, together with amounts credited from investment earnings to each school district, may be disbursed for: (1) principal and interest payments to holders of bonds issued by the school district after the effective date of the act, when such school district has certified to the Commissioner of Education and the Director of the Division of Local Government Services its inability to meet the payments thereof; (2) payments to the school district up to the balance of the credit of such school district, to the extent that such withdrawal is anticipated as revenue in the school district budget for the current year, or withdrawn for capital purposes authorized by ordinance or by vote of the electors of the school district.

Solid Waste Services Tax Fund (P.L. 1985, c.38)

Receipts generated by the solid waste services tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this Fund. The revenues are then allocated to provide state aid to counties.

State Lottery Agency Fund (N.J.S.A. 5:9-21)

The present value of obligations for future installment payments of lottery prizes funded by the purchase of deposit fund contracts are accounted for in this Fund.

**State Of New Jersey Cash Management Fund
(N.J.S.A. 52:18A-90.4)**

This is a common trust fund to consolidate moneys for investments. Various bond funds, trust funds, and agency funds are used to purchase units of value in the State of New Jersey Cash Management Fund. The law also permits participation in the Fund by municipalities, counties, school districts, or any other public body corporate and politic.

**Unemployment Benefits Liability Fund
(N.J.S.A. 43:21-7.3f)**

This Fund accounts for receipts of wage earners' contributions withheld on wages subject to the Unemployment Compensation Law, paid to persons employed by the State, and the receipt of amounts appropriated to the General Fund by the Legislature and transferred hereinto as the employer's share of contributions. Payments are made directly to the Unemployment Compensation Fund of the State as reim-

bursements to that Fund for unemployment benefits paid to persons formerly employed by the State and eligible to receive such benefits.

**University Of Medicine And Dentistry Of New Jersey
Construction Grant Fund (N.J.S.A. 52:18A-1 et seq.)**

**University Of Medicine And Dentistry Of New Jersey
Endowment Fund (N.J.S.A. 52:18A-1 et seq.)**

**University Of Medicine And Dentistry Of New Jersey
Endowment Fund "B" (N.J.S.A. 52:18A-1 et seq.)**

**University Of Medicine And Dentistry Of New Jersey
Grant Fund (N.J.S.A. 52:18A-1 et seq.)**

**University Of Medicine And Dentistry Of New Jersey
Grant Fund "B" (N.J.S.A. 52:18A-1 et seq.)**

Moneys in these funds formerly managed by the University of Medicine and Dentistry were turned over to the State for investment management purposes. The funds plus earnings are returnable to the University.

GENERAL LONG-TERM OBLIGATIONS
ACCOUNT GROUP

**STATE OF NEW JERSEY
STATEMENT OF OUTSTANDING BONDS
JUNE 30, 1986**

	<u>ACT OF</u>	<u>AUTHORIZED</u>
Beaches and Harbors	1977	\$ 30,000,000
Clean Waters	1976	120,000,000
Community Development	1982	85,000,000
Correctional Facilities Construction	1982	170,000,000
Emergency Flood Control	1978	25,000,000
Energy Conservation	1980	50,000,000
Farmland Preservation	1981	50,000,000
Hazardous Discharge	1981	100,000,000
Higher Education Construction	1971	155,000,000
Highway Improvement	1930	58,000,000
Human Services Facilities Construction	1984	60,000,000
Institutional Construction	1978	100,000,000
Institutions Construction	1976	80,000,000
Jobs, Science and Technology	1984	90,000,000
Medical Education Facilities	1977	120,000,000
Natural Resources	1980	145,000,000
New Jersey Bridge Rehabilitation and Improvement	1983	135,000,000
New Jersey Green Acres	1983	135,000,000
New Jersey Institutions Construction	1964	50,000,000
Pinelands Infrastructure Trust	1985	30,000,000
Public Building Construction	1968	337,500,000
Public Purpose Buildings Construction	1980	159,000,000
Refunding Bonds	1985	307,395,000
Resource Recovery and Solid Waste Facility	1985	85,000,000
Shore Protection	1983	50,000,000
State Facilities for Handicapped	1973	25,000,000
State Higher Education Construction	1964	40,100,000
State Housing Assistance	1968	12,500,000
State Institution Construction	1960	40,000,000
State Land Acquisition and Development	1978	200,000,000
State Mortgage Assistance	1976	25,000,000
State Recreation and Conservation Land Acquisition	1961	60,000,000
State Recreation and Conservation Land Acquisition	1971	80,000,000
State Recreation and Conservation Land Acquisition and Development	1974	200,000,000
State Transportation	1968	640,000,000
Transportation Rehabilitation and Improvement	1979	475,000,000
Wastewater Treatment	1985	190,000,000
Water Conservation	1969	271,000,000
Water Development	1958	45,850,000
Water Supply	1981	350,000,000
TOTAL		\$5,381,345,000

<u>UNISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
\$ —	\$ 3,100,000	\$ 26,900,000
9,000,000	24,970,000	86,030,000
66,600,000	380,000	18,020,000
25,000,000	1,895,000	143,105,000
11,000,000	2,400,000	11,600,000
30,000,000	3,320,000	16,680,000
40,000,000	900,000	9,100,000
100,000,000	—	—
—	66,200,000	88,800,000
—	56,945,000	1,055,000
—	255,000	17,745,000
42,000,000	60,250,000	39,750,000
—	29,200,000	50,800,000
—	760,000	11,240,000
78,000,000	24,000,000	96,000,000
—	7,250,000	62,750,000
75,000,000	320,000	24,680,000
110,000,000	505,000	47,495,000
87,000,000	40,600,000	9,400,000
—	—	—
30,000,000	159,450,000	178,050,000
—	27,625,000	116,980,000
14,395,000	2,900,000	304,495,000
—	—	—
85,000,000	950,000	17,050,000
32,000,000	16,900,000	8,100,000
—	33,800,000	6,300,000
—	6,900,000	5,600,000
—	37,000,000	3,000,000
—	67,000,000	63,000,000
70,000,000	9,450,000	15,550,000
—	54,000,000	6,000,000
—	28,590,000	51,410,000
—	—	—
5,000,000	91,100,000	103,900,000
—	289,030,000	350,970,000
45,500,000	121,790,000	307,710,000
190,000,000	—	—
43,000,000	104,260,000	123,740,000
—	43,850,000	2,000,000
291,400,000	4,550,000	54,050,000
<u>\$1,479,895,000</u>	<u>\$1,422,395,000</u>	<u>\$2,479,055,000</u>

STATE OF NEW JERSEY
STATEMENT OF CHANGES IN GENERAL LONG-TERM OBLIGATIONS
ACCOUNT GROUP
FOR THE FISCAL YEAR ENDED JUNE 30, 1986

	<u>ACT OF</u>	<u>OUTSTANDING JUNE 30, 1985</u>
Beaches and Harbors	1977	\$ 28,050,000
Clean Waters	1976	90,380,000
Community Development	1982	11,000,000
Correctional Facilities Construction	1982	125,000,000
Emergency Flood Control	1978	12,200,000
Energy Conservation	1980	17,750,000
Farmland Preservation	1981	5,550,000
Hazardous Discharge	1981	—
Higher Education Construction	1971	97,600,000
Highway Improvement	1930	1,305,000
Human Services Facilities Construction	1984	4,000,000
Institutional Construction	1978	41,925,000
Institutions Construction	1976	52,920,000
Jobs, Science and Technology	1984	12,000,000
Medical Education Facilities	1977	100,000,000
Natural Resources	1980	65,375,000
New Jersey Bridge Rehabilitation and Improvement	1983	15,000,000
New Jersey Green Acres	1983	23,000,000
New Jersey Institutions Construction	1964	13,400,000
Public Building Construction	1968	191,900,000
Public Purpose Buildings Construction	1980	98,630,000
Refunding Bonds	1985	307,395,000
Shore Protection	1983	18,000,000
State Facilities for Handicapped	1973	10,800,000
State Higher Education Construction	1964	9,300,000
State Housing Assistance	1968	6,200,000
State Institution Construction	1960	3,500,000
State Land Acquisition and Development	1978	60,150,000
State Mortgage Assistance	1976	16,090,000
State Recreation and Conservation Land Acquisition	1961	7,000,000
State Recreation and Conservation Land Acquisition	1971	56,690,000
State Recreation and Conservation Land Acquisition and Development	1974	109,480,000
State Transportation	1968	380,430,000
Transportation Rehabilitation and Improvement	1979	270,375,000
Water Conservation	1969	134,665,000
Water Development	1958	3,000,000
Water Supply	1981	35,700,000
Capital Leases	—	483,907,214
TOTAL		\$2,919,667,214

ADDITIONS	DEDUCTIONS	OUTSTANDING JUNE 30, 1986
\$ —	\$ 1,150,000	\$ 26,900,000
—	4,350,000	86,030,000
7,400,000	380,000	18,020,000
20,000,000	1,895,000	143,105,000
—	600,000	11,600,000
—	1,070,000	16,680,000
4,000,000	450,000	9,100,000
—	—	—
—	8,800,000	88,800,000
—	250,000	1,055,000
—	255,000	17,745,000
14,000,000	2,175,000	39,750,000
—	2,120,000	50,800,000
—	760,000	11,240,000
—	4,000,000	96,000,000
—	2,625,000	62,750,000
—	320,000	24,680,000
10,000,000	505,000	47,495,000
25,000,000	4,000,000	9,400,000
—	13,850,000	178,050,000
—	6,650,000	116,980,000
25,000,000	2,900,000	304,495,000
—	950,000	17,050,000
—	2,700,000	8,100,000
—	3,000,000	6,300,000
—	600,000	5,600,000
—	500,000	3,000,000
—	2,150,000	63,000,000
5,000,000	540,000	15,550,000
—	1,000,000	6,000,000
—	5,280,000	51,410,000
—	5,580,000	103,900,000
—	29,460,000	350,970,000
50,000,000	12,665,000	307,710,000
—	10,925,000	123,740,000
—	1,000,000	2,000,000
—	1,250,000	54,050,000
19,600,000	20,988,467	492,828,667
29,909,920	—	—
<u>\$209,909,920</u>	<u>\$157,693,467</u>	<u>\$2,971,883,667</u>

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ENTERPRISE FUNDS

**STATE OF NEW JERSEY
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1986**

	Hackensack Meadowlands Development Commission	New Jersey Building Authority	New Jersey Casino Reinvestment Development Authority
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$11,783,847	\$ 43,419	\$ —
INVESTMENTS	33,469,405	82,468,218	51,958,899
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Mortgages	—	—	—
Other	11,881,819	14,107,332	65,951,605
FIXED ASSETS, Net	13,912,504	59,572,754	—
OTHER ASSETS			
Due from intergovernmental agencies	2,880,209	—	—
Deferred charges	—	2,710,236	—
Amount to be provided for:			
Retirement of bonds	1,605,000	—	—
Other	5,358,527	—	—
Total Assets	<u>\$80,891,311</u>	<u>\$158,901,959</u>	<u>\$117,910,504</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 3,404,162	\$ 6,727,546	\$ 1,344,815
Deferred revenue	1,865,164	8,680,770	60,479,028
Due to intergovernmental agencies	2,880,209	—	300,000
Advances from other funds	10,203,292	—	—
Other	13,695,581	—	—
Revenue bonds payable	—	142,091,693	—
Notes payable	12,530,181	—	—
Total Liabilities	<u>44,578,589</u>	<u>157,500,009</u>	<u>62,123,843</u>
FUND BALANCES			
Cost of investment in facilities	2,539,114	—	—
Reserved—Other	18,793,797	1,400,000	55,180,438
Unreserved—Undesignated	14,979,811	1,950	606,223
Total Fund Balances	<u>36,312,722</u>	<u>1,401,950</u>	<u>55,786,661</u>
Total Liabilities and Fund Balances	<u>\$80,891,311</u>	<u>\$158,901,959</u>	<u>\$117,910,504</u>

<u>New Jersey Economic Development Authority</u>	<u>New Jersey Education Facilities Authority</u>	<u>New Jersey Expressway Authority</u>	<u>New Jersey Health Care Facilities Financing Authority</u>	<u>New Jersey Highway Authority</u>
\$50,526,427	\$ 4,891,176	\$ 2,695,103	\$ 27,983,000	\$ 5,140,970
—	175,844,807	45,077,251	1,486,677,000	227,668,042
—	403,356,500	—	1,237,586,000	—
30,074,515	6,641,989	283,563	1,447,654,000	3,526,302
487,749	22,047	57,351,790	180,000	797,538,053
—	—	—	—	2,738,629
—	—	—	—	—
—	—	—	—	—
7,552,998	5,485,640	159,942	9,000	1,541,810
<u>\$88,641,689</u>	<u>\$596,242,159</u>	<u>\$105,567,649</u>	<u>\$4,200,089,000</u>	<u>\$1,038,153,806</u>
\$ 811,414	\$ 6,309,734	\$ 1,447,248	\$ 113,029,000	\$ 23,829,552
175,395	—	—	—	—
1,294,700	—	—	—	2,666,825
—	—	—	—	—
2,176,883	—	1,142,376	—	24,771,738
—	458,480,000	45,230,000	2,783,206,000	275,545,000
1,212,580	4,500,000	—	40,780,000	—
<u>5,670,972</u>	<u>469,289,734</u>	<u>47,819,624</u>	<u>2,937,015,000</u>	<u>326,813,115</u>
—	—	—	—	—
—	—	36,372,071	1,256,951,000	702,308,629
82,970,717	126,952,425	21,375,954	6,123,000	9,032,062
<u>82,970,717</u>	<u>126,952,425</u>	<u>57,748,025</u>	<u>1,263,074,000</u>	<u>711,340,691</u>
<u>\$88,641,689</u>	<u>\$596,242,159</u>	<u>\$105,567,649</u>	<u>\$4,200,089,000</u>	<u>\$1,038,153,806</u>

**STATE OF NEW JERSEY
ENTERPRISE FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 1986**

	New Jersey Housing and Mortgage Finance Agency	New Jersey Sports and Exposition Authority	New Jersey Transit
<u>ASSETS</u>			
CASH AND CASH EQUIVALENTS	\$ 8,085,000	\$ 10,220,000	\$ 5,105,000
INVESTMENTS	1,120,070,000	80,054,000	—
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES			
Mortgages	2,017,656,000	—	—
Other	106,329,000	12,218,000	—
FIXED ASSETS, Net	472,000	411,186,000	1,235,168,000
OTHER ASSETS			
Due from intergovernmental agencies	4,358,000	—	35,478,000
Deferred charges	14,084,000	—	—
Amount to be provided for:			
Retirement of bonds	—	—	—
Other	33,421,000	7,693,000	97,236,000
Total Assets	<u>\$3,304,475,000</u>	<u>\$521,371,000</u>	<u>\$1,372,987,000</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 47,672,000	\$ 22,725,000	\$ 93,560,000
Deferred revenue	897,000	—	—
Due to intergovernmental agencies	36,521,000	3,000,000	—
Advances from other funds	—	—	—
Other	153,616,000	8,896,000	79,046,000
Revenue bonds payable	2,812,717,000	396,330,000	—
Notes payable	—	17,083,000	—
Total Liabilities	<u>3,051,423,000</u>	<u>448,034,000</u>	<u>172,606,000</u>
FUND BALANCES			
Cost of investment in facilities	—	—	—
Reserved—Other	212,541,000	—	1,175,117,000
Unreserved—Undesignated	40,511,000	73,337,000	25,264,000
Total Fund Balances	<u>253,052,000</u>	<u>73,337,000</u>	<u>1,200,381,000</u>
Total Liabilities¹ and Fund Balances	<u>\$3,304,475,000</u>	<u>\$521,371,000</u>	<u>\$1,372,987,000</u>

<u>New Jersey Transportation Trust Fund Authority</u>	<u>New Jersey Turnpike Authority</u>	<u>New Jersey Water Supply Authority</u>	<u>South Jersey Port Corporation</u>	<u>Total Enterprise Funds</u>
\$ 100	\$ 15,617,909	\$ 38,909	\$ 488,282	\$ 142,619,142
242,521,730	2,098,193,870	72,462,236	7,480,457	5,723,945,915
—	—	—	—	3,658,598,500
2,961,584	2,975,722	720,728	2,296,136	1,707,622,295
—	1,418,800,107	73,301,214	46,788,935	4,114,781,153
28,055,563	—	4,437,719	672,844	78,620,964
—	—	—	—	16,794,236
56,635,000	—	—	—	58,240,000
—	12,117,775	250,741	91,085	170,917,518
<u>\$330,173,977</u>	<u>\$3,547,705,383</u>	<u>\$151,211,547</u>	<u>\$57,817,739</u>	<u>\$15,672,139,723</u>
\$ 185,748	\$ 23,330,150	\$ 1,818,543	\$ 2,454,521	\$ 348,649,433
—	288,997	—	191,733	72,578,087
—	—	29,422,963	666,628	76,752,325
—	—	—	—	10,203,292
—	11,535,061	273,141	18,389,366	313,542,146
56,635,000	2,502,825,000	65,707,478	28,595,000	9,567,362,171
—	—	—	—	76,105,761
<u>56,820,748</u>	<u>2,537,979,208</u>	<u>97,222,125</u>	<u>50,297,248</u>	<u>10,465,193,215</u>
—	—	—	—	2,539,114
273,146,948	895,831,411	6,028,341	4,927,759	4,638,598,394
206,281	113,894,764	47,961,081	2,592,732	565,809,000
<u>273,353,229</u>	<u>1,009,726,175</u>	<u>53,989,422</u>	<u>7,520,491</u>	<u>5,206,946,508</u>
<u>\$330,173,977</u>	<u>\$3,547,705,383</u>	<u>\$151,211,547</u>	<u>\$57,817,739</u>	<u>\$15,672,139,723</u>

**STATE OF NEW JERSEY
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Hackensack Meadowlands Development Commission	New Jersey Building Authority	New Jersey Casino Reinvestment Development Authority
REVENUES			
Charges for services and sales	\$27,568,096	\$ —	\$56,012,543
Mortgage interest	—	—	—
Investment income	246,666	27,059,850	2,042,948
Governmental subsidies and grants	6,247,244	—	—
Other	2,140,161	—	—
Total Revenues	36,202,167	27,059,850	58,055,491
EXPENSES			
Operations	25,354,964	60,833	987,900
Interest	194,719	25,598,500	1,280,930
Depreciation and amortization	957,469	—	—
Other	757,348	—	—
Total Expenses	27,264,500	25,659,333	2,268,830
Excess of Revenues Over Expenses	8,937,667	1,400,517	55,786,661
FUND BALANCE—Beginning of Year	28,061,064	1,433	—
Other fund balances changes	(686,009)	—	—
FUND BALANCE—End of Year	\$36,312,722	\$ 1,401,950	\$55,786,661

New Jersey Economic Development Authority	New Jersey Education Facilities Authority	New Jersey Expressway Authority	New Jersey Health Care Facilities Financing Authority	New Jersey Highway Authority
\$ 5,891,820	\$ 29,290,116	\$21,460,519	\$ 2,012,000	\$107,363,820
—	—	—	—	—
5,824,103	8,662,733	1,339,106	506,000	22,882,371
2,772,082	1,567,579	—	—	—
6,955,009	515,466	48,540	13,000	1,563,586
<u>21,443,014</u>	<u>40,035,894</u>	<u>22,848,165</u>	<u>2,531,000</u>	<u>131,809,777</u>
5,372,715	51,817,290	14,521,075	1,706,000	63,633,370
51,656	29,251,660	1 623,328	—	26,743,903
—	—	—	—	—
10,916,404	—	1,015,744	—	—
<u>16,340,775</u>	<u>81,068,950</u>	<u>17,160,147</u>	<u>1,706,000</u>	<u>90,377,273</u>
5,102,239	(41,033,056)	5,688,018	825,000	41,432,504
<u>77,868,478</u>	<u>81,529,556</u>	<u>55,810,007</u>	<u>767,402,000</u>	<u>679,586,258</u>
—	86,455,925	(3,750,000)	494,847,000	(9,678,071)
<u>\$82,970,717</u>	<u>\$126,952,425</u>	<u>\$57,748,025</u>	<u>\$1,263,074,000</u>	<u>\$711,340,691</u>

STATE OF NEW JERSEY
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986

	New Jersey Housing and Mortgage Finance Agency	New Jersey Sports and Exposition Authority	New Jersey Transit Corporation
REVENUES			
Charges for services and sales	\$ 11,532,000	\$137,948,000	\$ 258,876,000
Mortgage interest	187,558,000	—	—
Investment income	84,984,000	7,518,000	—
Governmental subsidies and grants	—	—	204,836,000
Other	3,406,000	45,352,000	30,553,000
Total Revenues	287,480,000	190,818,000	494,265,000
EXPENSES			
Operations	12,843,000	107,681,000	494,451,000
Interest	242,377,000	28,646,000	—
Depreciation and amortization	—	12,333,000	65,194,000
Other	1,160,000	1,191,000	16,223,000
Total Expenses	256,380,000	149,851,000	575,868,000
Excess of Revenues Over Expenses	31,100,000	40,967,000	(81,603,000)
FUND BALANCE—Beginning of Year	221,952,000	34,370,000	1,114,048,000
Other fund balances changes	—	(2,000,000)	167,936,000
FUND BALANCE—End of Year	\$253,052,000	\$ 73,337,000	\$1,200,381,000

<u>New Jersey Transportation Trust Fund Authority</u>	<u>New Jersey Turnpike Authority</u>	<u>New Jersey Water Supply Authority</u>	<u>South Jersey Port Corporation</u>	<u>Total Enterprise Funds</u>
\$153,000,004	\$ 170,029,165	\$ 7,599,316	\$11,666,338	\$1,000,249,737
—	—	—	—	187,558,000
19,787,870	9,343,439	407,502	82,124	190,686,712
—	—	—	1,647,216	217,070,121
—	1,738,962	46,773	1,753,562	94,086,059
<u>172,787,874</u>	<u>181,111,566</u>	<u>8,053,591</u>	<u>15,149,240</u>	<u>1,689,650,629</u>
123,060,892	83,642,814	4,205,159	11,466,469	1,000,804,481
4,078,860	46,660,300	844,407	2,725,662	410,076,925
—	—	1,243,245	—	79,727,714
4,857,630	38,962,596	804,033	—	75,887,755
<u>131,997,382</u>	<u>169,265,710</u>	<u>7,096,844</u>	<u>14,192,131</u>	<u>1,566,496,875</u>
40,790,492	11,845,856	956,747	957,109	123,153,754
<u>232,562,737</u>	<u>1,009,159,507</u>	<u>53,032,675</u>	<u>6,563,382</u>	<u>4,361,947,097</u>
—	(11,279,188)	—	—	721,845,657
<u>\$273,353,229</u>	<u>\$1,009,726,175</u>	<u>\$53,989,422</u>	<u>\$ 7,520,491</u>	<u>\$5,206,946,508</u>

**STATE OF NEW JERSEY
ENTERPRISE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Hackensack Meadowlands Development Commission	New Jersey Building Authority	New Jersey Casino Reinvestment Development Authority
SOURCES OF FINANCIAL RESOURCES			
Operations:			
Excess of revenues over expenses	\$ 8,937,667	\$ 1,400,517	\$ 55,786,661
Expenses not requiring current outlay of financial resources:			
Depreciation and amortization	1,728,863	—	—
Other	—	—	—
Total Sources of Financial Resources from Operations	10,666,530	1,400,517	55,786,661
Decrease in investments	—	39,417,038	—
Issuance of notes payable	11,588,405	—	—
Issuance of revenue bonds	—	—	—
Increase in deferred revenue	(440,762)	8,680,770	60,479,028
Increase in accounts payable and accrued expenses	338,091	—	1,344,815
Increase in other liabilities	10,541,845	—	—
Other, net	(771,394)	—	300,000
Total Sources of Financial Resources	31,922,715	49,498,325	117,910,504
USES OF FINANCIAL RESOURCES			
Increase in deferred charges	—	—	—
Increase in investments	19,908,459	—	51,958,899
Increase in receivables	1,854,102	11,547,338	65,951,605
Increase in other assets	3,480,900	(568,388)	—
Acquisition of fixed assets	953,167	18,657,908	—
Decrease in accounts payable and accrued expenses	—	4,791,831	—
Retirement of notes payable	2,719,406	—	—
Retirement of bonds	—	15,028,307	—
Total Uses of Financial Resources	28,916,034	49,456,996	117,910,504
Net Increase (Decrease) in Cash and Cash Equivalents	3,006,681	41,329	—
CASH AND CASH EQUIVALENTS Beginning of Year	8,777,166	2,090	—
CASH AND CASH EQUIVALENTS End of Year	\$11,783,847	\$ 43,419	\$ —

<u>New Jersey Economic Development Authority</u>	<u>New Jersey Educational Facilities Authority</u>	<u>New Jersey Expressway Authority</u>	<u>New Jersey Health Care Facilities Financing Authority</u>	<u>New Jersey Highway Authority</u>
\$ 5,102,239	\$ (41,033,056)	\$ 5,688,018	\$ 825,000	\$41,432,504
--	--	--	75,000	--
2,015,656	--	--	--	(9,678,071)
7,117,895	(41,033,056)	5,688,018	900,000	31,754,433
--	--	--	--	7,471,194
--	11,960,461	--	--	--
--	189,152,130	28,260,000	915,415,000	--
(174,216)	--	--	--	--
190,149	1,157,034	811,107	19,523,000	10,561,611
1,002,909	--	(217,871)	--	5,208,301
157,711	86,430,464	(3,750,000)	494,847,000	--
8,294,448	247,667,033	30,791,254	1,430,685,000	54,995,539
--	--	--	--	--
--	92,645,771	30,153,534	655,970,000	--
910,527	86,936,481	135,971	686,069,000	(103,842)
(2,096,963)	4,498,526	(14,181)	1,000	2,866,602
152,075	11,533	1,918,129	79,000	52,837,013
--	--	--	--	--
2,787,420	23,625,000	--	9,965,000	--
--	38,319,130	355,000	65,203,000	--
1,753,059	246,036,441	32,548,453	1,417,287,000	55,599,773
6,541,389	1,630,592	(1,757,199)	13,398,000	(604,234)
43,985,038	3,260,584	4,452,302	14,585,000	5,745,204
\$50,526,427	\$ 4,891,176	\$ 2,695,103	\$ 27,983,000	\$ 5,140,970

STATE OF NEW JERSEY
ENTERPRISE FUNDS
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1986

	New Jersey Housing and Mortgage Finance Agency	New Jersey Sports and Exposition Authority	New Jersey Transit Corporation
SOURCES OF FINANCIAL RESOURCES			
Operations:			
Excess of revenues over expenses	\$ 31,100,000	\$ 40,967,000	\$ (81,603,000)
Expenses not requiring current outlay of financial resources:			
Depreciation and amortization	18,410,000	12,495,000	65,194,000
Other	(5,472,000)	—	—
Total Sources of Financial Resources from Operations	44,038,000	53,462,000	(16,409,000)
Decrease in investments	—	—	—
Issuance of notes payable	—	13,083,000	—
Issuance of revenue bonds	488,613,000	322,040,000	—
Increase in deferred revenue	(12,710,000)	—	—
Increase in accounts payable and accrued expenses	1,740,000	334,000	17,324,000
Increase in other liabilities	22,823,000	4,632,000	44,785,000
Other, net	4,269,000	—	168,866,000
Total Sources of Financial Resources	548,773,000	393,551,000	214,566,000
USES OF FINANCIAL RESOURCES			
Increase in deferred charges	1,123,000	—	—
Increase in investments	243,737,000	7,346,000	—
Increase in receivables	90,055,000	1,287,000	—
Increase in other assets	(2,133,000)	4,798,000	33,092,000
Acquisition of fixed assets	57,000	37,576,000	209,001,000
Decrease in accounts payable and accrued expenses	—	—	—
Retirement of notes payable	—	15,000,000	—
Retirement of bonds	211,514,000	318,718,000	—
Total Uses of Financial Resources	544,353,000	354,725,000	242,093,000
Net Increase (Decrease) in Cash and Cash Equivalents	4,420,000	8,826,000	(27,527,000)
CASH AND CASH EQUIVALENTS Beginning of Year	3,665,000	1,394,000	32,632,000
CASH AND CASH EQUIVALENTS End of Year	\$ 8,085,000	\$ 10,220,000	\$ 5,105,000

New Jersey Transportation Trust Fund Authority	New Jersey Turnpike Authority	New Jersey Water Supply Authority	South Jersey Port Corporation	Total Enterprise Funds
\$40,790,492	\$ 11,845,856	\$ 956,747	\$ 957,109	\$ 123,153,754
—	—	1,846,964	—	99,749,827
—	—	15,347	—	(13,119,068)
40,790,492	11,845,856	2,819,058	957,109	209,784,513
—	—	—	—	46,888,232
—	—	228,019,000	—	264,650,866
—	2,001,000,000	914,565,000	28,595,000	4,887,640,130
—	—	—	104,561	55,939,381
—	3,888,358	549,754	—	57,761,919
—	(3,995,923)	18,652,737	169,764	103,601,762
—	(11,279,188)	—	1,658,712	740,728,305
40,790,492	2,001,459,103	1,164,605,549	31,485,146	6,366,995,108
—	—	—	—	1,123,000
45,823,828	1,954,388,601	61,156,593	2,300,798	3,165,389,483
(1,115,553)	(1,303,512)	219,507	430,636	942,874,260
(8,577,088)	9,425,395	(509,356)	(1,015,190)	43,248,257
—	37,402,726	6,316,373	1,020,378	365,982,302
24,314	—	—	238,130	5,054,275
4,635,000	—	248,158,313	78,333	306,968,472
—	—	849,263,435	29,155,000	1,527,555,872
40,790,501	1,999,913,210	1,164,604,865	32,208,085	6,358,195,921
(9)	1,545,893	684	(722,939)	8,799,187
109	14,072,016	38,225	1,211,221	133,819,955
\$ 100	\$ 15,617,909	\$ 38,909	\$ 488,282	\$ 142,619,142

**STATE OF NEW JERSEY
ENTERPRISE FUNDS
DESCRIPTION OF FUNDS**

Hackensack Meadowlands Development Commission (N.J.S.A. 13:17-5)

The Hackensack Meadowlands Development Commission is a body corporate and politic established within the Department of Community Affairs under the provisions of the Hackensack Meadowlands Reclamation and Development Act of 1968. Pursuant to the Act, the Commission is authorized and empowered to be the planning and zoning agency for the reclaiming, planning, development and redevelopment of the 19,730 acre Meadowlands District. The agency also has the responsibility to provide garbage disposal facilities for 118 communities in Bergen, Essex, Hudson and Passaic counties.

The District consists of waterways, tidal flow lands, woodlands, marsh and meadows contained within portions of 14 municipalities and two counties, Bergen and Hudson. Through the issuance, if needed, of tax-exempt bonds and notes, the Commission is able to raise needed funds.

New Jersey Building Authority (N.J.S.A. 52:18A-78.4)

The New Jersey Building Authority, created in 1981 as a body corporate and politic, is authorized to construct and rehabilitate office buildings and related facilities for use by State agencies. The Authority is authorized to issue bonds and notes to provide funds for the construction and rehabilitation projects. The debt service on the bonds will be paid through lease agreements with the State.

New Jersey Casino Reinvestment Development Authority (N.J.S.A. 5:12-153)

The Authority was created in 1984 to maintain public confidence in the casino gaming industry as a tool of urban redevelopment for the City of Atlantic City and to directly facilitate the redevelopment of blighted areas by providing eligible projects in which licensees (Casinos) can invest. The Authority encourages investment in, or financing of, projects which are made as part of a comprehensive plan to improve blighted areas or are targeted to benefit low through middle income residents. The Authority is also responsible for promoting the tourist industry in New Jersey, especially in Atlantic County.

New Jersey Economic Development Authority (N.J.S.A. 34:1B-4)

The New Jersey Economic Development Authority, created in 1974 as a public body corporate and politic, is authorized to arrange long-term, low-interest financing, and other forms of assistance to private firms and

companies for the purpose of maintaining and expanding employment opportunities and enlarging the tax base of state and local governments in the State of New Jersey.

New Jersey Educational Facilities Authority (N.J.S.A. 18A:72A-4)

The New Jersey Educational Facilities Authority was established in 1966 to provide a means for New Jersey public and independent colleges and universities to construct additional facilities through the financial resources of a public authority empowered to sell tax-exempt notes and bonds. The Authority finances only revenue-producing facilities on public college campuses; but it is not so restricted for the independent institutions, and may finance academic buildings as well.

New Jersey Expressway Authority (N.J.S.A. 27:12C-5)

The New Jersey Expressway Authority, created in 1962 as a body corporate and politic, is authorized and empowered to acquire, construct, maintain, repair and operate Atlantic City Expressway projects at lawfully established locations and, with the prior approval of the Governor, and of either or both the State Treasurer and the Comptroller of the Treasury, to issue its bonds or notes for such purposes. The existing roadway serves as a link between the Philadelphia metropolitan area and the seashore counties bordering the Atlantic Ocean. The principal source of revenues for the Authority is the money received from expressway tolls.

New Jersey Health Care Facilities Financing Authority (N.J.S.A. 26:21-4)

The New Jersey Health Care Facilities Financing Authority, established in 1972 as a public body corporate and politic of the State, provides low-cost capital financing for the public and private not-for-profit health care institutions of the State.

New Jersey Highway Authority (N.J.S.A. 27:12B-4)

The New Jersey Highway Authority, created in 1952 as a body corporate and politic, is authorized to acquire, construct, operate, and maintain highway projects (specifically the toll portions of the Garden State Parkway) with the provision that the Governor shall have the right to veto any action, except collective bargaining; and that the approval of the Governor and State Treasurer or Comptroller shall be required prior to adoption of any bond resolution or revision of tolls. The Authority has also been responsible for construction and maintenance of the Garden State Arts Center.

New Jersey Housing and Mortgage Finance Agency (N.J.S.A. 55:14K-4)

The Housing and Mortgage Finance Agency (HMFA) makes mortgage and improvement loans to nonprofit and limited dividend sponsors for the construction or major rehabilitation of rental apartment housing for low and moderate-income families and senior citizens. In addition to providing financing, the Agency monitors and provides technical support in the planning, construction, and management of all developments in its portfolio. HMFA mortgage loan funds come from the sale of tax-exempt revenue bonds.

In promoting the availability of affordable homeownership financing, the Agency also provided low-interest mortgage and improvement loans to eligible residents throughout the State. Proceeds from the sale of tax-exempt mortgage revenue bonds enable the Agency to finance the purchase and improvement of one to four unit residences.

New Jersey Sports and Exposition Authority (N.J.S.A. 5:10-4)

The New Jersey Sports and Exposition Authority, established in 1971 as a public body corporate and politic with corporate succession, has been responsible for the financing, construction, and management of the Meadowlands Racetrack and Giants Stadium, both of which opened in 1976, and the Brendan Byrne Arena which opened in July, 1981. The Authority is charged with the responsibility for providing facilities in the Hackensack Meadowlands for athletic and entertainment events, trade shows and other expositions, and is authorized to issue bonds and notes and provides the terms and security thereof.

New Jersey Transit Corporation (N.J.S.A. 27:25-1)

New Jersey Transit Corporation (NJ TRANSIT) was created by the New Jersey Public Transportation Act of 1979 and is empowered to acquire, own, operate and contract for the operation of public transportation services.

NJ TRANSIT receives operating subsidies principally from the State of New Jersey by legislative appropriation and the Federal Government by defined formula grants under the Urban Mass Transportation Administration (UMTA). These government grants are used to support the operation of public transportation services.

NJ TRANSIT provides these services through the operation of bus and commuter rail subsidiaries. NJ TRANSIT also contracts with several motor bus carriers for certain transportation services. Under these contracts, NJ TRANSIT has the right to set fares and coordinate service levels and schedules. In addition, NJ TRANSIT contracts with the National Railroad Passenger Corporation (Amtrak) for the maintenance of certain NJ TRANSIT rolling stock and the use of Amtrak's northeast corridor, including propulsion costs and the cost of maintaining right-of-way.

New Jersey Transportation Trust Fund Authority (N.J.S.A. 27:1B-4)

The New Jersey Transportation Trust Fund Authority was created under the New Jersey Transportation Trust Fund Authority Act of 1984 to provide the payment for and financing of all, or a portion of, the costs incurred by the Department of Transportation for the planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of the State's transportation system.

New Jersey Turnpike Authority (N.J.S.A. 27:23-3)

The New Jersey Turnpike Authority, created as a body corporate and politic by the New Jersey Turnpike Authority Act of 1948, is authorized to construct, maintain, repair, and operate turnpike projects at locations established by law. Furthermore, the Authority may issue turnpike revenue bonds or notes of the Authority, subject to prior approval by the Governor and of either or both the State Treasurer and the Comptroller of the Treasury, payable solely from tolls and other revenues of the Authority.

New Jersey Water Supply Authority (N.J.S.A. 58:1B-4)

The New Jersey Water Supply Authority, created in 1981 as a public body corporate and politic, is authorized to acquire, finance, construct, and operate water supply systems. The Authority currently operates and maintains the Delaware and Raritan Canal and the Spruce Run/Round Valley Reservoir water supply system.

The Authority may, upon the request of a municipality, county, the State, or agencies thereof, enter into a contract to provide services for any water system project. All projects undertaken by the Authority shall conform to the recommendations of the New Jersey Statewide Water Supply Plan. Bonds of the Authority may be issued to finance these projects and the debt service on the bonds is payable from the revenues and other funds of the Authority.

South Jersey Port Corporation (N.J.S.A. 12:11A-1)

The South Jersey Port Corporation, an entity of the State's Department of Commerce and Economic Development, was created in 1968 by the South Jersey Port Corporation Act. The Act conferred upon the Corporation the powers to establish, acquire, construct, rehabilitate, improve, operate, and maintain marine terminals in the South Jersey Port District, including Mercer, Burlington, Camden, Gloucester, Salem, Cumberland, and Cape May counties. To this end, the Corporation may issue tax-exempt revenue bonds subject to the provisions and restrictions of the Marine Terminal Revenue Bond Resolution adopted November 30, 1970, which mandates the distribution of funds to various Port Corporation funds.

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UNIVERSITY FUNDS

STATE OF NEW JERSEY
UNIVERSITY FUNDS
BALANCE SHEET
CURRENT FUNDS-UNRESTRICTED
JUNE 30,1986

	<u>Rutgers University</u>	<u>University of Medicine and Dentistry</u>
<u>ASSETS</u>		
CASH AND CASH EQUIVALENTS	\$30,956,691	\$ 363,669
INVESTMENTS	—	—
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES		
Departmental	1,913,547	70,535,083
FIXED ASSETS	—	—
OTHER ASSETS		
Due from other funds	—	3,445,258
Other	6,143,573	2,523,194
Total Assets	<u>\$39,013,811</u>	<u>\$76,867,204</u>
<u>LIABILITIES AND FUND BALANCES</u>		
LIABILITIES		
Accounts payable and accrued expenses	\$21,633,136	\$47,304,791
Deferred revenue	7,034,390	11,959,591
Due to other funds	—	4,396,289
Other	2,717,234	8,162,742
Deferred compensation payable	—	6,658,687
Revenue bonds payable	—	—
Notes payable	—	—
Capital leases payable	—	—
Total Liabilities	<u>31,384,760</u>	<u>78,482,100</u>
FUND BALANCES		
Cost of investment in facilities	—	—
Reserved for:		
Auxiliary enterprises	1,773,340	—
General university	5,713,738	—
Endowment and similar funds	—	—
Retirement of indebtedness	—	—
Unreserved—Undesignated	141,973	(1,614,896)
Total Fund Balances	<u>7,629,051</u>	<u>(1,614,896)</u>
Total Liabilities and Fund Balances	<u>\$39,013,811</u>	<u>\$76,867,204</u>

<u>New Jersey Institute of Technology</u>	<u>Total</u>
\$4,125,000	\$ 35,445,360
—	—
2,508,000	74,956,630
—	—
—	3,445,258
940,000	9,606,767
<u>\$7,573,000</u>	<u>\$123,454,015</u>
\$4,780,000	\$ 73,717,927
1,096,000	20,089,981
—	4,396,289
—	10,879,976
—	6,658,687
—	—
—	—
—	—
<u>5,876,000</u>	<u>115,742,860</u>
—	—
—	1,773,340
—	5,713,738
—	—
—	—
1,697,000	224,077
<u>1,697,000</u>	<u>7,711,155</u>
<u>\$7,573,000</u>	<u>\$123,454,015</u>

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
BALANCE SHEET
CURRENT FUNDS-RESTRICTED
JUNE 30, 1986**

	<u>Rutgers University</u>	<u>University of Medicine and Dentistry</u>
<u>ASSETS</u>		
CASH AND CASH EQUIVALENTS	\$15,832,700	\$ 711,092
INVESTMENTS	—	14,183,090
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES		
Departmental	6,241,562	11,209,242
FIXED ASSETS	—	—
OTHER ASSETS		
Due from other funds	—	5,235,489
Other	—	89,315
Total Assets	<u>\$22,074,262</u>	<u>\$31,428,228</u>
<u>LIABILITIES AND FUND BALANCES</u>		
LIABILITIES		
Accounts payable and accrued expenses	\$ 2,304,729	\$ 4,071,274
Deferred revenue	—	—
Due to other funds	—	—
Other	—	—
Deferred compensation payable	—	—
Revenue bonds payable	—	—
Notes payable	—	—
Capital leases payable	—	—
Total Liabilities	<u>2,304,729</u>	<u>4,071,274</u>
FUND BALANCES		
Cost of investment in facilities	—	—
Reserved for:		
Auxiliary enterprises	—	—
General university	—	—
Endowment and similar funds	—	—
Retirement of indebtedness	—	—
Unreserved—Undesignated	19,769,533	27,356,954
Total Fund Balances	<u>19,769,533</u>	<u>27,356,954</u>
Total Liabilities and Fund Balances	<u>\$22,074,262</u>	<u>\$31,428,228</u>

<u>New Jersey Institute of Technology</u>	<u>Total</u>
\$1,628,000	\$18,171,792
—	14,183,090
301,000	17,751,804
—	—
—	5,235,489
—	89,315
<u>\$1,929,000</u>	<u>\$55,431,490</u>

\$ 140,000	\$ 6,516,003
—	—
—	—
—	—
—	—
—	—
—	—
—	—
<u>140,000</u>	<u>6,516,003</u>
—	—
—	—
—	—
—	—
1,789,000	48,915,487
<u>1,789,000</u>	<u>48,915,487</u>
<u>\$1,929,000</u>	<u>\$55,431,490</u>

STATE OF NEW JERSEY
UNIVERSITY FUNDS
BALANCE SHEET
LOAN FUNDS
JUNE 30, 1986

	<u>Rutgers University</u>	<u>University of Medicine and Dentistry</u>
<u>ASSETS</u>		
CASH AND CASH EQUIVALENTS	\$ 1,297,612	\$ 813,426
INVESTMENTS	—	—
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES		
Departmental	26,202,857	9,686,731
FIXED ASSETS	—	—
OTHER ASSETS		
Due from other funds	—	—
Other	—	—
Total Assets	<u>\$27,500,469</u>	<u>\$10,500,157</u>
<u>LIABILITIES AND FUND BALANCES</u>		
LIABILITIES		
Accounts payable and accrued expenses	\$ —	\$ —
Deferred revenue	—	—
Due to other funds	—	—
Other	—	—
Deferred compensation payable	—	—
Revenue bonds payable	—	—
Notes payable	—	—
Capital leases payable	—	—
Total Liabilities	<u>—</u>	<u>—</u>
FUND BALANCES		
Cost of investment in facilities	—	—
Reserved for:		
Auxiliary enterprises	—	—
General university	22,301,928	8,952,573
Endowment and similar funds	4,561,479	350,769
Retirement of indebtedness	—	—
Unreserved—Undesignated	637,062	1,196,815
Total Fund Balances	<u>27,500,469</u>	<u>10,500,157</u>
Total Liabilities and Fund Balances	<u>\$27,500,469</u>	<u>\$10,500,157</u>

<u>New Jersey Institute of Technology</u>	<u>Total</u>
\$210,000	\$ 2,321,038
—	—
—	35,889,588
—	—
—	—
352,000	352,000
<u>\$562,000</u>	<u>\$38,562,626</u>

\$ —	\$ —
—	—
—	—
—	—
—	—
—	—
—	—
—	—
—	—
—	—
—	—
—	—
—	—
—	—
310,000	31,564,501
234,000	5,146,248
—	—
18,000	1,851,877
<u>562,000</u>	<u>38,562,626</u>
<u>\$562,000</u>	<u>\$38,562,626</u>

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
BALANCE SHEET
PLANT FUNDS
JUNE 30, 1986**

	<u>Rutgers University</u>	<u>University of Medicine and Dentistry</u>
<u>ASSETS</u>		
CASH AND CASH EQUIVALENTS	\$ 48,172,688	\$ 1,549,315
INVESTMENTS	62,293,076	19,888,097
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES		
Departmental	—	23,577,571
FIXED ASSETS	608,286,118	389,305,116
OTHER ASSETS		
Due from other funds	—	112,638
Other	2,357,898	806,782
Total Assets	<u>\$721,109,780</u>	<u>\$435,239,519</u>
<u>LIABILITIES AND FUND BALANCES</u>		
LIABILITIES		
Accounts payable and accrued expenses	\$ —	\$ 1,398,873
Deferred revenue	—	—
Due to other funds	—	4,050,919
Other	7,591,411	—
Deferred compensation payable	—	—
Revenue bonds payable	109,785,000	12,335,000
Notes payable	3,257,213	681,094
Capital leases payable	7,937,731	4,953,338
Total Liabilities	<u>128,571,355</u>	<u>23,419,224</u>
FUND BALANCES		
Cost of investment in facilities	504,469,014	380,475,076
Reserved for:		
Auxiliary enterprises	—	—
General university	—	31,345,219
Endowment and similar funds	9,149,221	—
Retirement of indebtedness	6,514,085	—
Unreserved—Undesignated	72,406,105	—
Total Fund Balances	<u>592,538,425</u>	<u>411,820,295</u>
Total Liabilities and Fund Balances	<u>\$721,109,780</u>	<u>\$435,239,519</u>

**New Jersey
Institute
of Technology**

Total

\$ 5,022,000

\$ 54,744,003

68,000

82,249,173

—

23,577,571

67,937,000

1,065,528,234

—

112,638

38,000

3,202,680

\$73,065,000

\$1,229,414,299

\$

—

\$ 1,398,873

—

4,050,919

—

7,591,411

—

6,765,000

128,885,000

544,000

4,482,307

—

12,891,069

7,309,000

159,299,579

60,628,000

945,572,090

—

31,345,219

—

9,149,221

2,529,000

9,043,085

2,599,000

75,005,105

65,756,000

1,070,114,720

\$73,065,000

\$1,229,414,299

STATE OF NEW JERSEY
UNIVERSITY FUNDS
BALANCE SHEET
ENDOWMENT AND SIMILAR FUNDS
JUNE 30, 1986

	Rutgers University	University of Medicine and Dentistry
<u>ASSETS</u>		
CASH AND CASH EQUIVALENTS	\$ 1,054,134	\$ 93,659
INVESTMENTS	82,308,074	6,623,751
RECEIVABLES, NET OF ALLOWANCES FOR UNCOLLECTIBLES		
Departmental	—	147,880
FIXED ASSETS	—	—
OTHER ASSETS		
Due from other funds	—	—
Other	—	—
Total Assets	\$83,362,208	\$6,865,290
<u>LIABILITIES AND FUND BALANCES</u>		
LIABILITIES		
Accounts payable and accrued expenses	\$ —	\$ —
Deferred revenue	—	—
Due to other funds	—	346,177
Other	—	106,127
Deferred compensation payable	—	—
Revenue bonds payable	—	—
Notes payable	—	—
Capital leases payable	—	—
Total Liabilities	—	452,304
FUND BALANCES		
Cost of investment in facilities	—	—
Reserved for:		
Auxiliary enterprises	—	—
General university	—	—
Endowment and similar funds	83,362,208	6,412,986
Retirement of indebtedness	—	—
Unreserved—Undesignated	—	—
Total Fund Balances	83,362,208	6,412,986
Total Liabilities and Fund Balances	\$83,362,208	\$6,865,290

<u>New Jersey Institute of Technology</u>	<u>Total</u>
\$ 316,000	\$ 1,463,793
713,000	89,644,825
—	147,880
—	—
—	—
88,000	88,000
<u>\$1,117,000</u>	<u>\$91,344,498</u>
<u><u>\$ —</u></u>	<u><u>\$ —</u></u>
<u><u>—</u></u>	<u><u>—</u></u>
<u><u>—</u></u>	<u><u>346,177</u></u>
<u><u>390,000</u></u>	<u><u>496,127</u></u>
<u><u>—</u></u>	<u><u>—</u></u>
<u><u>—</u></u>	<u><u>—</u></u>
<u><u>—</u></u>	<u><u>—</u></u>
<u><u>—</u></u>	<u><u>—</u></u>
<u><u>390,000</u></u>	<u><u>842,304</u></u>
<u><u>—</u></u>	<u><u>—</u></u>
<u><u>—</u></u>	<u><u>—</u></u>
<u><u>—</u></u>	<u><u>—</u></u>
<u><u>727,000</u></u>	<u><u>90,502,194</u></u>
<u><u>—</u></u>	<u><u>—</u></u>
<u><u>—</u></u>	<u><u>—</u></u>
<u><u>727,000</u></u>	<u><u>90,502,194</u></u>
<u><u>\$1,117,000</u></u>	<u><u>\$91,344,498</u></u>

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
CURRENT FUNDS-UNRESTRICTED
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Rutgers University	University of Medicine and Dentistry
REVENUES AND OTHER ADDITIONS		
Student tuition and fees	\$ 94,323,461	\$ 14,343,538
State appropriations	196,570,579	119,313,523
Auxiliary enterprises	57,676,028	1,917,025
Patient service revenue	—	86,673,714
Governmental grants and contracts	3,982,161	—
Fringe benefits paid directly by the State of New Jersey	39,412,469	32,006,371
Private gifts, grants and contracts	901,857	—
Investment income	—	—
Realized gains on endowment investments	1,946,991	—
Interest on loans receivable	—	—
Expended for plant facilities	—	—
Retirement of indebtedness	—	—
Other	15,597,353	4,789,029
Total Revenues and Other Additions	410,410,899	259,043,200
EXPENDITURES AND OTHER DEDUCTIONS		
Educational and general:		
Instruction	159,675,490	67,890,988
Research	22,019,841	—
Public service	17,959,224	—
Academic support	17,463,130	227,339
Student services	23,263,157	3,418,480
Institutional support	—	16,308,037
Scholarships and fellowships	—	674,430
Operation and maintenance plant	50,852,693	20,870,931
Auxiliary enterprises	78,643,689	1,916,534
Noncapitalized expenditures for plant facilities	—	—
Loan cancellations, write-offs and refunds	—	—
Disposal of property, plant and equipment	—	—
Interest on indebtedness	—	—
Retirement of indebtedness	—	—
Indirect costs recovered	—	—
Other	—	136,797,835
Total Expenditures and Other Deductions	369,877,224	248,104,574
Net Revenues	40,533,675	10,938,626
HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN/(OUT)		
Mandatory:		
Principal and interest	(8,341,165)	(1,593,000)
Loan funds matching grants	(14,521)	(80,870)
Other	—	(606,060)
Non-mandatory:		
Plant funds	(28,950,447)	(8,442,120)
Other	(2,902,818)	(220,628)
Total Higher Education and University Hospital Interfund Transfers	(40,208,951)	(10,942,678)
Net Increase (Decrease) in Fund Balances	324,724	(4,052)
FUND BALANCES—JULY 1, 1985	7,304,327	(1,610,844)
FUND BALANCES—JUNE 30, 1986	\$ 7,629,051	\$ (1,614,896)

**New Jersey
Institute
of Technology**

Total

\$13,761,000	\$122,427,999
28,888,000	344,772,102
3,738,000	63,331,053
—	86,673,714
—	3,982,161
2,779,000	74,197,840
2,000	903,857
—	—
—	1,946,991
—	—
—	—
—	—
1,392,000	21,778,382
50,560,000	720,014,099

22,896,000	250,462,478
664,000	22,683,841
691,000	18,650,224
6,052,000	23,742,469
2,580,000	29,261,637
6,113,000	22,421,037
1,116,000	1,790,430
5,194,000	76,917,624
2,734,000	83,294,223
—	—
—	—
—	—
—	—
—	—
—	—
—	136,797,835
48,040,000	666,021,798
2,520,000	53,992,301

(889,000)	(10,823,165)
—	(95,391)
—	(606,060)
(115,000)	(37,507,567)
—	(3,123,446)
(1,004,000)	(52,155,629)
1,516,000	1,836,672
181,000	5,874,483
\$ 1,697,000	\$ 7,711,155

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
CURRENT FUNDS-RESTRICTED
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Rutgers University	University of Medicine and Dentistry
REVENUES AND OTHER ADDITIONS		
Student tuition and fees	\$ —	\$ —
State appropriations	—	—
Auxiliary enterprises	—	—
Patient service revenue	—	22,776,873
Governmental grants and contracts	45,366,943	27,060,696
Fringe benefits paid directly by the State of New Jersey	—	—
Private gifts, grants and contracts	13,004,629	11,094,613
Investment income	5,286,996	1,012,115
Realized gains on endowment investments	—	—
Interest on loans receivable	—	—
Expended for plant facilities	—	—
Retirement of indebtedness	—	—
Other	2,156,505	4,232,753
Total Revenues and Other Additions	65,815,073	66,177,050
EXPENDITURES AND OTHER DEDUCTIONS		
Educational and general:		
Instruction	3,687,718	2,994,356
Research	42,623,959	12,875,779
Public service	546,318	20,481,088
Academic support	447,845	994,549
Student services	4,983,496	9,704
Institutional support	1,171,539	5,016,924
Scholarships and fellowships	—	1,547,900
Operation and maintenance plant	—	—
Auxiliary enterprises	—	—
Noncapitalized expenditures for plant facilities	—	—
Loan cancellations, write-offs and refunds	—	—
Disposal of property, plant and equipment	—	558,248
Interest on indebtedness	—	—
Retirement of indebtedness	—	—
Indirect costs recovered	7,313,552	5,875,491
Other	—	3,857,674
Total Expenditures and Other Deductions	60,774,427	54,211,713
Net Revenues	5,040,646	11,965,337
HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN/(OUT)		
Mandatory:		
Principal and interest	—	—
Loans funds matching grants	—	—
Other	—	(7,315,278)
Non-mandatory:		
Plant funds	—	(5,753,499)
Other	(1,174,755)	(252,254)
Total Higher Education and University Hospital Interfund Transfers	(1,174,755)	(13,321,031)
Net Increase (Decrease) in Fund Balances	3,865,891	(1,355,694)
FUND BALANCES—JULY 1, 1985	15,903,642	28,712,648
FUND BALANCES—JUNE 30, 1986	\$19,769,533	\$27,356,954

**New Jersey
Institute
of Technology**

Total

\$ 714,000

\$ 714,000

—

—

—

—

—

22,776,873

2,235,000

74,662,639

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505,000

24,604,242

68,000

6,367,111

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5,000

6,394,258

3,527,000

135,519,123

322,000

7,004,074

—

55,499,738

—

21,027,406

348,000

1,790,394

782,000

5,775,200

34,000

6,222,463

1,707,000

3,254,900

1,000

1,000

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558,248

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13,189,043

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3,857,674

3,194,000

118,180,140

333,000

17,338,983

—

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—

—

(7,315,278)

—

(5,753,499)

—

(1,427,009)

—

(14,495,786)

—

333,000

2,843,197

1,456,000

46,072,290

\$1,789,000

\$ 48,915,487

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
LOAN FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Rutgers University	University of Medicine and Dentistry
REVENUES AND OTHER ADDITIONS		
Student tuition and fees	\$ —	\$ —
State appropriations	—	—
Auxiliary enterprises	—	—
Patient service revenue	—	—
Governmental grants and contracts	180,007	727,830
Fringe benefits paid directly by the State of New Jersey	—	—
Private gifts, grants and contracts	2,335	58,227
Investment income	537,138	11,260
Realized gains on endowment investments	—	—
Interest on loans receivable	—	174,823
Expended for plant facilities	—	—
Retirement of indebtedness	—	—
Other	68,544	—
Total Revenues and Other Additions	788,024	972,140
EXPENDITURES AND OTHER DEDUCTIONS		
Educational and general:		
Instruction	—	—
Research	—	—
Public service	—	—
Academic support	—	—
Student services	—	—
Institutional support	—	—
Scholarships and fellowships	—	—
Operation and maintenance plant	—	—
Auxiliary enterprises	—	—
Noncapitalized expenditures for plant facilities	—	—
Loan cancellations, write-offs and refunds	68,330	19,848
Disposal of property, plant and equipment	—	—
Interest on indebtedness	—	—
Retirement of indebtedness	—	—
Indirect costs recovered	—	—
Other	502,875	15,442
Total Expenditures and Other Deductions	571,205	35,290
Net Revenues	216,819	936,850
HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN(OUT)		
Mandatory:		
Principal and interest	—	—
Loans funds matching grants	14,521	80,870
Other	—	—
Non-mandatory:		
Plant funds	—	—
Other	158,685	—
Total Higher Education and University Hospital Interfund Transfers	173,206	80,870
Net Increase (Decrease) in Fund Balances	390,025	1,017,720
FUND BALANCES—JULY 1, 1985	27,110,444	9,482,437
FUND BALANCES—JUNE 30, 1986	\$27,500,469	\$10,500,157

**New Jersey
Institute
of Technology**

Total

\$ —
—
—
—
65,000
—
17,000
17,000
—
—
—
—
2,000

101,000

\$ —
—
—
—
972,837
—
77,562
565,398
—
174,823
—
—
70,544

1,861,164

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28,000
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28,000

73,000

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28,000
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88,178
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518,317

634,495

1,226,669

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73,000
489,000

\$562,000

—
95,391
—
—
158,685

254,076

1,480,745
37,081,881

\$38,562,626

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
PLANT FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Rutgers University	University of Medicine and Dentistry
REVENUES AND OTHER ADDITIONS		
Student tuition and fees	\$ 1,625,043	\$ —
State appropriations	9,623,056	5,105,491
Auxiliary enterprises	—	—
Patient service revenue	—	—
Governmental grants and contracts	—	—
Fringe benefits paid directly by the State of New Jersey	—	—
Private gifts, grants and contracts	6,586,848	282,701
Investment income	9,158,845	1,392,705
Realized gains on endowment investments	33,261	—
Interest on loans receivable	—	—
Expended for plant facilities	37,097,219	18,168,496
Retirement of indebtedness	2,084,371	—
Other	130,331	—
Total Revenues and Other Additions	66,338,974	24,949,393
EXPENDITURES AND OTHER DEDUCTIONS		
Educational and general:		
Instruction	—	—
Research	—	—
Public service	—	—
Academic support	—	—
Student services	—	—
Institutional support	—	—
Scholarships and fellowships	—	—
Operation and maintenance plant	—	—
Auxiliary enterprises	—	—
Noncapitalized expenditures for plant facilities	33,845,664	18,168,496
Loan cancellations, write-offs and refunds	—	—
Disposal of property, plant and equipment	2,174,699	1,619,019
Interest on indebtedness	7,779,776	754,304
Retirement of indebtedness	2,084,371	—
Indirect costs recovered	—	—
Other	—	—
Total Expenditures and Other Deductions	45,884,510	20,541,819
Net Revenues	20,454,464	4,407,574
HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN/(OUT)		
Mandatory:		
Principal and interest	8,341,165	1,593,000
Loans funds matching grants	—	—
Other	—	—
Non-mandatory:		
Plant funds	28,950,447	14,668,501
Other	2,165,664	—
Total Higher Education and University Hospital Interfund Transfers	39,457,276	16,261,501
Net Increase (Decrease) in Fund Balances	59,911,740	20,669,075
FUND BALANCES—JULY 1, 1985	532,626,685	391,151,220
FUND BALANCES—JUNE 30, 1986	\$592,538,425	\$411,820,295

**New Jersey
Institute
of Technology**

Total

\$ 1,686,000	\$ 3,311,043
—	14,728,547
—	—
—	—
2,458,000	2,458,000
—	—
4,798,000	11,667,549
458,000	11,009,550
—	33,261
—	—
3,443,000	58,708,715
—	2,084,371
—	130,331
<u>12,843,000</u>	<u>104,131,367</u>
—	—
—	—
—	—
—	—
—	—
—	—
—	—
845,000	845,000
—	52,014,160
—	—
—	3,793,718
809,000	9,343,080
—	2,084,371
—	—
6,000	6,000
<u>1,660,000</u>	<u>68,086,329</u>
<u>11,183,000</u>	<u>36,045,038</u>
889,000	10,823,165
—	—
—	—
115,000	43,733,948
—	2,165,664
<u>1,004,000</u>	<u>56,722,777</u>
12,187,000	92,767,815
53,569,000	977,346,905
<u>\$65,756,000</u>	<u>\$1,070,114,720</u>

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
ENDOWMENT AND SIMILAR FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

	Rutgers University	University of Medicine and Dentistry
REVENUES AND OTHER ADDITIONS		
Student tuition and fees	\$ —	\$ —
State appropriations	—	—
Auxiliary enterprises	—	—
Patient service revenue	—	—
Governmental grants and contracts	—	—
Fringe benefits paid directly by the State of New Jersey	—	—
Private gifts, grants and contracts	3,017,877	11,024
Investment income	435,585	597,403
Realized gains on endowment investments	6,673,134	—
Interest on loans receivable	—	—
Expended for plant facilities	—	—
Retirement of indebtedness	—	—
Other	129,576	—
Total Revenues and Other Additions	10,256,172	608,427
EXPENDITURES AND OTHER DEDUCTIONS		
Educational and general:		
Instruction	—	—
Research	—	—
Public service	—	—
Academic support	—	—
Student services	—	—
Institutional support	—	—
Scholarships and fellowships	—	—
Operation and maintenance plant	—	—
Auxiliary enterprises	—	—
Noncapitalized expenditures for plant facilities	—	—
Loan cancellations, write-offs and refunds	—	—
Disposal of property, plant and equipment	—	—
Interest on indebtedness	—	—
Retirement of indebtedness	—	—
Indirect costs recovered	—	—
Other	19,070	597,403
Total Expenditures and Other Deductions	19,070	597,403
Net Revenues	10,237,102	11,024
HIGHER EDUCATION AND UNIVERSITY HOSPITAL INTERFUND TRANSFERS IN/(OUT)		
Mandatory:		
Principal and interest	—	—
Loans funds matching grants	—	—
Other	—	—
Non-mandatory:		
Plant funds	—	—
Other	1,753,224	—
Total Higher Education and University Hospital Interfund Transfers	1,753,224	—
Net Increase (Decrease) in Fund Balances	11,990,326	11,024
FUND BALANCES—JULY 1, 1985	71,371,882	6,401,962
FUND BALANCES—JUNE 30, 1986	\$83,362,208	\$6,412,986

Total

\$ —
—
—
—
—
3,087,901
1,035,988
6,673,134
—
—
—
129,576

10,926,599

616,473

10,310,126

1,753,224

1,753,224

78,438,844

\$90,502,194

**STATE OF NEW JERSEY
UNIVERSITY FUNDS
DESCRIPTION OF FUNDS**

**New Jersey Institute of Technology
(N.J.S.A. 18A:64E-4)**

The Institute is recognized as a public institution of higher education by the State of New Jersey. The recognition is supported by an annual contract between the Institute and the State whereby the Institute agrees to render services of public higher education for the State of New Jersey. In return, the State appropriates funds to support the Institute.

The Institute was founded in 1881 (N.J.S.A. 19A:64E-1 et seq.). For more than three decades, the State Board of Education contracted annually with the New Jersey Institute of Technology, formerly Newark College of Engineering, for services in public higher education. Effective July 1, 1967, the contractual relationship is with the State Board of Higher Education (N.J.S.A. 18A:3-14).

The physical plant is located in Newark on 34 acres and is comprised of 16 buildings, including classroom-laboratory buildings, gymnasium, library, theatre, residence hall, maintenance building, parking lots and playing fields.

Rutgers, The State University (N.J.S.A. 18A:65-12)

Founded in 1766 as one of the colonial colleges, Rutgers became The State University in 1956 (N.J.S.A. 18A:65-1 et seq. as amended) with a reorganized Board of Trustees and a newly created Board of Governors. The membership of the Board of Governors consists of ex-officio members, the Chancellor of the Department of Higher Education of New Jersey, the President of the Corporation and 11 voting members, six of whom are appointed by the Governor of the State, with the advice and consent of the Senate and five of whom are appointed by the Board of Trustees from among its members. The Board of Governors has general supervision over the University's operations. The Board of Trustees acts in overall advisory capacity and controls certain properties, funds and trusts. The Board of Higher Education (N.J.S.A. 18A:62-1 et seq.) is responsible for the coordination and general financial oversight of Rutgers as a part of the State's system of higher education.

The University provides instruction to approximately 90,000 full and part-time students enrolled in instructional programs in its graduate and undergraduate colleges, schools, summer session, and continuing education programs.

Research, the second major area of University responsibility, has earned the support of commerce, industry, State and Federal governments, societies, and philanthropic organizations, as well as financing from the University's funds.

Extension services, designed to take the University's teaching function directly to the people of the State, is a major responsibility. Such services range from the work of the county agricultural, home economics and 4-H Club agents to non-credit courses, including post-graduate work in technical and professional fields.

**University of Medicine and Dentistry of New Jersey
(N.J.S.A. 18A:64G-4)**

The University of Medicine and Dentistry of New Jersey is governed and managed by a Board of Trustees appointed by the Governor with Senate confirmation and administered by a President as the Chief Executive Officer. The primary purposes of the institution are the education of health care personnel including physicians, dentists and allied health professionals, medical and dental research, and the provision of health care to the people of New Jersey.

The University is composed of three medical schools (two Allopathic and one Osteopathic), a dental school, a graduate school of biomedical sciences and a school of allied health professions. Its medical programs are centered in Newark, Piscataway and Camden. It operates a hospital and two community mental health care centers which serve as both health care and teaching facilities.

In addition to its wholly owned facilities, the University is affiliated for teaching purposes at either, or both, the undergraduate and graduate level with 54 community hospitals and health care agencies, five community colleges, five State colleges, Rutgers University, New Jersey Institute of Technology and three independent universities.

STATISTICAL SECTION

**STATE OF NEW JERSEY
TEN-YEAR FINANCIAL SUMMARY
FOR FISCAL YEARS ENDED JUNE 30
(\$ Millions)**

	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>
REVENUES				
Anticipated Revenues				
Sales Tax	\$ 2,614.4	\$ 2,341.8	\$ 2,054.1	\$1,660.3
Income Tax	2,052.6	1,935.5	1,732.2	1,391.6
Corporation Tax	996.1	976.3	934.4	791.0
Motor Fuels Tax	318.2	296.2	294.1	282.3
Motor Vehicle Fees	333.3	317.9	288.8	280.3
Cigarette Tax	214.2	216.6	217.2	214.5
Inheritance Tax	188.6	194.4	171.4	146.2
Lottery	419.4	390.6	359.7	295.0
General Revenue Sharing	—	—	—	—
Casino Taxes	220.4	215.0	193.3	165.5
All Other	1,276.2	1,146.6	1,035.0	1,016.3
Total Anticipated Revenues	<u>8,633.4</u>	<u>8,030.9</u>	<u>7,280.2</u>	<u>6,243.0</u>
Appropriated Revenues				
Federal Programs	2,142.1	1,975.4	1,946.6	1,769.6
All Other	1,204.9	1,081.3	1,031.8	929.1
Total Appropriated Revenues	<u>3,347.0</u>	<u>3,056.7</u>	<u>2,978.4</u>	<u>2,698.7</u>
Total All Revenues	<u>\$11,980.4</u>	<u>\$11,087.6</u>	<u>\$10,258.6</u>	<u>\$8,941.7</u>
EXPENDITURES (Budgetary Basis)				
Budgeted Expenditures				
State Aid	\$ 4,512.7	\$ 4,076.7	\$ 3,747.8	\$3,504.9
Direct State Services	3,629.5	3,209.2	2,804.6	2,491.9
Capital Construction	273.2	240.8	45.6	40.7
Debt Service	295.8	295.3	266.5	238.9
Total Budgeted Expenditures	<u>8,711.2</u>	<u>7,822.0</u>	<u>6,864.5</u>	<u>6,276.4</u>
Appropriated Expenditures				
Federal Programs	2,084.0	2,023.9	1,926.7	1,717.2
All Other	1,113.9	1,035.5	949.4	874.7
Total Appropriated Expenditures	<u>3,197.9</u>	<u>3,059.4</u>	<u>2,876.1</u>	<u>2,591.9</u>
Total All Expenditures	<u>\$11,909.1</u>	<u>\$10,881.4</u>	<u>\$ 9,740.6</u>	<u>\$8,868.3</u>
UNDESIGNATED FUND BALANCES				
General Fund	\$ 444.5	\$ 716.8	\$ 485.3	\$ 96.2
Property Tax Relief Fund	76.5	94.8	92.2	—
Casino Revenue Fund	125.0	73.5	67.6	47.3
Casino Control Fund	(2.0)	7.7	—	(3.5)
Gubernatorial Elections Fund	(3.0)	(1.7)	.6	(.8)

<u>1982</u>	<u>1981</u>	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>
\$1,379.9	\$1,263.5	\$1,179.9	\$1,097.7	\$1,003.0	\$ 905.1
1,259.0	1,106.2	968.8	838.5	748.9	696.1
868.8	775.7	644.8	556.3	515.2	421.7
280.8	278.0	280.9	297.8	295.7	288.8
265.5	266.3	267.5	250.8	233.5	223.1
177.4	176.2	170.6	169.9	170.1	168.8
126.8	123.3	111.0	100.4	96.3	86.6
220.3	176.0	145.9	122.0	96.0	78.2
—	18.8	75.4	74.8	71.3	69.5
129.2	102.6	71.0	26.0	2.5	—
848.2	776.0	751.5	781.5	687.2	570.0
<u>6,555.9</u>	<u>5,062.6</u>	<u>4,667.3</u>	<u>4,315.7</u>	<u>3,919.7</u>	<u>3,507.9</u>
1,614.8	1,615.5	1,588.1	1,396.2	1,238.2	1,240.3
857.3	766.6	395.7	201.0	207.3	348.8
<u>2,472.1</u>	<u>2,382.1</u>	<u>1,983.8</u>	<u>1,597.2</u>	<u>1,445.5</u>	<u>1,589.1</u>
<u>\$8,028.0</u>	<u>\$7,444.7</u>	<u>\$6,651.1</u>	<u>\$5,912.9</u>	<u>\$5,365.2</u>	<u>\$5,097.0</u>
\$3,308.8	\$2,674.2	\$2,502.2	\$2,385.4	\$2,089.3	\$1,691.5
2,200.1	2,328.9	2,055.1	1,834.1	1,661.2	1,528.2
60.7	58.9	165.2	192.3	180.0	164.6
185.6	173.2	164.5	162.0	144.4	122.5
<u>5,755.2</u>	<u>5,235.2</u>	<u>4,887.0</u>	<u>4,573.8</u>	<u>4,074.9</u>	<u>3,506.8</u>
1,638.3	1,661.4	1,542.5	1,353.8	1,198.1	1,067.9
820.0	709.3	308.5	174.3	165.4	314.2
<u>2,458.3</u>	<u>2,370.7</u>	<u>1,851.0</u>	<u>1,528.1</u>	<u>1,363.5</u>	<u>1,382.1</u>
<u>\$8,213.5</u>	<u>\$7,605.9</u>	<u>\$6,738.0</u>	<u>\$6,101.9</u>	<u>\$5,438.4</u>	<u>\$4,888.9</u>
\$ 78.7	\$ 188.1	\$ 228.7	\$ 217.2	\$ 164.1	\$ 101.1
28.6	58.5	28.8	1.0	117.4	134.6
32.0	58.5	28.9	8.9	1.5	—
(5.1)	(.1)	(8.0)	(4.0)	—	4.1
(2.4)	(4.2)	2.8	1.4	.2	1.1

**STATE OF NEW JERSEY
FIFTY LARGEST EMPLOYERS**

Rank	Name	New Jersey Employment
		1985
1	American Telephone & Telegraph Co.	50,000
2	Shop Rite Supermarkets	28,000
3	New Jersey Bell Telephone Co.	20,438
4	Supermarkets General Corp.	18,712
5	RCA Corporation	17,420
6	Sears, Roebuck and Co.	15,368
7	The Prudential Insurance Co. of America	14,900
8	Johnson & Johnson	14,430
9	Public Service Electric & Gas Co.	13,736
10	R. H. Macy & Co., Inc. (Bamberger's)	12,675
11	North American Philips Corp.	11,585
12	Great Atlantic and Pacific Tea Company	8,500
13	Marriott Corporation	8,500
14	J.C. Penny Co., Inc.	8,500
15	Allied—Signal, Inc.	8,000
16	General Motors Corp.	7,627
17	U.P.S.	7,200
18	Exxon Corp.	6,930
19	Midlantic Banks	6,920
20	Bell Communications Research	6,800
21	IBM	6,800
22	Acme Markets, Inc.	6,778
23	Hoffmann—La Roche Inc.	6,500
24	K-Mart	6,200
25	The Singer Company	6,100
26	ITT	6,000
27	E. I. duPont de Nemours & Co., Inc.	5,713
28	American Cyanamid	5,105
29	R.J. Reynolds Industries	5,100
30	Squibb Corporation	5,000
31	W. R. Grace & Co.	4,668
32	Merck & Co., Inc.	4,460
33	Schering-Plough Corporation	4,147
34	Mobil Corporation	4,139
35	Resorts International Hotel Casino	4,000
36	Trump Castle	4,000
37	Harrah's Marina Hotel Casino	3,827
38	Trump Plaza Hotel Casino	3,799
39	Bally's Park Place Hotel Casino	3,700
40	Ceasars Boardwalk Regency Hotel Casino	3,601
41	Tropicana Hotel & Casino	3,495
42	Jersey Central Power & Light	3,408
43	Campbell Soup Company	3,400
44	GNOC, Corp. (Golden Nugget Hotel/Casino)	3,387
45	CIBA—GEIGY Corporation.	3,263
46	First Jersey National Corp.	3,162
47	Chubb Corp.	3,100
48	People Express Airline, Inc.	3,070
49	CPC International, Inc.	3,024
50	United Jersey Banks	3,024

Source: *New Jersey Business*, New Jersey Business & Industry Association, "Top 100 Corporate Employers, May 1986." Data reprinted with the permission of the New Jersey Business & Industry Association.

**STATE OF NEW JERSEY
FUTURE DEBT SERVICE ON OUTSTANDING BONDS**

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest and Principal</u>
1987	\$ 165,870,589	\$ 154,840,000	\$ 320,710,589
1988	155,731,139	164,110,000	319,841,139
1989	145,261,015	162,681,000	307,942,015
1990	134,789,453	160,571,000	295,360,453
1991	124,410,975	157,030,000	281,440,975
1992	113,792,948	148,602,000	262,394,948
1993	103,933,040	148,393,000	252,326,040
1994	93,958,314	150,874,000	244,832,314
1995	83,974,616	151,740,000	235,714,616
1996	74,050,399	138,671,000	212,721,399
1997	64,595,789	138,961,000	203,556,789
1998	55,412,114	123,924,000	179,336,114
1999	46,792,337	121,347,000	168,139,337
2000	38,222,492	119,269,000	157,491,492
2001	29,742,877	119,404,000	149,146,877
2002	28,419,413	101,157,000	129,576,413
2003	14,511,241	83,760,000	98,271,241
2004	8,978,834	60,297,000	69,275,834
2005	4,288,870	39,371,000	43,659,870
2006	2,029,399	17,887,000	19,916,399
2007	869,746	13,041,000	13,910,746
2008	253,906	3,125,000	3,378,906
	<u>\$1,489,889,506</u>	<u>\$2,479,055,000</u>	<u>\$3,968,944,506</u>

Source: New Jersey Department of the Treasury, Office of Management and Budget.

**STATE OF NEW JERSEY
RATIO OF GENERAL LONG-TERM DEBT TO
ASSESSED VALUE AND DEBT PER CAPITA
(Expressed in thousands except as indicated)**

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value (1)</u>	<u>General Long- Term Debt Outstanding</u>	<u>General Long-Term Debt Ratio to Assessed Value</u>	<u>Per Capita</u>
1977	7,344	83,549,677	1,533,220	1.84%	208.77
1978	7,342	89,766,686	1,589,105	1.77	216.44
1979	7,356	97,007,989	1,712,725	1.77	232.83
1980	7,373	103,510,954	1,755,530	1.70	238.10
1981	7,377	111,037,882	1,827,320	1.65	247.71
1982	7,421	120,514,694	2,034,445	1.69	274.15
1983	7,438	134,575,206	2,226,855	1.65	299.39
1984	7,468	152,159,611	2,236,620	1.47	299.45
1985	7,517 (R)	163,500,088	2,435,760	1.49	324.12
1986	7,562	188,024,618	2,479,055	1.32	327.83

Sources: New Jersey Department of the Treasury, **Annual Report of the Division of Taxation**.
New Jersey Department of the Treasury, Division of Budget and Accounting.

- (1) Includes Real and Personal Property.
(R) Revised

STATE OF NEW JERSEY
VALUATIONS OF TAXABLE REAL PROPERTY, PERSONAL AND PER CAPITA INCOME
(Expressed in thousands except as indicated)

Year	Population	Assessed Valuation of Real Property	True Valuation of Real Property	Personal Income (millions) (R)	Per Capita Income (R)
1976	7,344	\$ 76,977,352	\$ 96,029,862	\$ 56,182	\$ 7,650
1977	7,342	81,947,717	101,661,442	61,245	8,342
1978	7,356	88,096,325	107,801,263	67,716	9,205
1979	7,373	95,245,570	116,502,954	74,069	10,182
1980	7,377	101,750,296	131,459,546	84,425	11,445
1981	7,421	109,247,254	149,657,502	94,083	12,701
1982	7,438	118,602,475	168,413,583	102,022	13,731
1983	7,468	132,414,236	182,865,529	110,383	14,781
1984	7,517 (R)	149,748,875	195,130,647	120,745	16,063
1985	7,562	164,130,499	216,199,233	130,154	17,211

Sources: Department of the Treasury, **Annual Report of the Division of Taxation**.
N.J. Department of Labor, Office of Demographic & Economic Analysis.
(R) Revised

STATE OF NEW JERSEY
POPULATION AND EMPLOYMENT TRENDS
(Expressed in Thousands)

Year	Population	Civilian Labor Force	Resident Employment	Unemployment	New Jersey Unemployment Rate	U.S. Unemployment Rate
1976	7,344	3,306	2,962	345	10.4%	7.7%
1977	7,342	3,370	3,053	317	9.4	7.1
1978	7,356	3,444	3,197	247	7.2	6.1
1979	7,373	3,556	3,311	246	6.9	5.8
1980	7,377	3,582	3,323	259	7.2	7.1
1981	7,421	3,587	3,325	262	7.3	7.6
1982	7,438	3,624	3,299	325	9.0	9.7
1983	7,468	3,656	3,369	287	7.8	9.6
1984	7,517 (R)	3,829	3,592	236	6.2	7.5
1985	7,562	3,853	3,635	218	5.7	7.2

Sources: New Jersey Department of Labor, "New Jersey Economic Indicators."
New Jersey Department of Labor, Division of Planning and Research.
(R) Revised

STATE OF NEW JERSEY
MANUFACTURING AND NON-MANUFACTURING EMPLOYMENT
(Expressed in Thousands)

	1975	1980	1985	Percentage Change from 1975-1985	Percentage of Total Employment 1985
Manufacturing					
Durable Goods					
Electrical Machinery	88.1	92.2	95.1	7.9%	2.8%
Non-Electric Machinery	68.4	75.1	59.9	(12.4)	1.8
Fabricated Metals	58.1	60.8	50.3	(13.4)	1.5
Stone, Clay and Glass	36.0	33.1	25.7	(28.6)	.7
Instruments	31.2	37.2	33.7	8.0	1.0
Other	81.2	85.9	77.1	(5.0)	2.2
Total Durable	<u>363.0</u>	<u>384.3</u>	<u>341.8</u>	<u>(5.8)</u>	<u>10.0</u>
Non-Durable Goods					
Chemicals	121.0	128.2	120.8	(.2)	3.5
Apparel	57.9	55.7	47.0	(18.8)	1.4
Food	53.6	49.3	48.2	(10.1)	1.4
Rubber and Plastics	29.3	37.4	37.1	26.6	1.1
Paper	32.1	32.3	30.7	(4.4)	.9
Other	91.0	93.9	93.5	2.7	2.7
Total Non-Durable	<u>384.9</u>	<u>396.8</u>	<u>377.3</u>	<u>(2.0)</u>	<u>11.0</u>
Total Manufacturing	<u>747.9</u>	<u>781.1</u>	<u>719.1</u>	<u>(3.9)</u>	<u>21.0</u>
Non-Manufacturing					
Trade	599.3	680.3	813.4	35.7	23.8
Services	471.1	603.1	791.9	68.1	23.2
Government	470.2	529.7	534.4	13.7	15.6
Transportation, Communication, and Public Utility	174.3	194.5	224.9	29.0	6.6
Finance, Insurance, and Real Estate	135.2	158.1	192.5	42.4	5.6
Contract Construction	99.2	111.2	140.1	41.2	4.1
Other	2.8	2.4	2.2	(21.4)	.1
Total Non-Manufacturing	<u>1,952.1</u>	<u>2,279.3</u>	<u>2,699.4</u>	<u>38.3</u>	<u>79.0</u>
Grand Total	<u>2,700.0</u>	<u>3,060.4</u>	<u>3,418.5</u>	<u>26.6%</u>	<u>100.0%</u>

Source: New Jersey Department of Labor "New Jersey Economic Indicators" August 29, 1986, Number 264.

STATE OF NEW JERSEY
AVERAGE HOURLY GROSS DOLLAR EARNINGS OF PRODUCTION WORKERS
ANNUAL AVERAGES

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
TOTAL MANUFACTURING	\$5.33	\$5.82	\$6.28	\$6.71	\$ 7.31	\$ 8.02	\$ 8.60	\$ 9.11	\$ 9.50	\$ 9.86
Durable Goods	5.46	5.96	6.41	6.81	7.49	8.23	8.77	9.16	9.58	9.87
Lumber	4.35	4.53	4.50*	4.95	5.40	6.01	6.49	6.08	6.29	7.12
Furniture	4.47	4.60	5.08	5.08*	5.74	6.15	6.63	7.43	7.62	7.49
Stone, Clay, and Glass	5.37	5.84	6.34	6.64	7.52	8.35	8.77	9.26	9.67	9.92
Primary Metals	5.71	6.10	6.48	7.06	7.55	8.34	8.99	9.23	9.50	9.45
Fabricated Metals	5.58	6.02	6.49	6.92	7.48	8.32	8.81	9.25	9.42	9.94
Non-Electrical Mach.	5.77	6.38	6.87	7.40	8.10	9.06*	9.82	9.71	10.07	10.35
Electrical Mach.	5.30	5.71	6.01	6.49	6.93	7.77*	8.37	9.03	9.53	9.92
Transportation Equip.	6.89	7.88	8.24	8.83	10.00	11.12	11.84	12.09	13.32	13.31
Misc. Manufacturing	4.03	4.37	4.75	5.07	5.64	6.06	6.51	7.23	7.18	7.94
Non-Durable Goods	5.22	5.71	6.14	6.61	7.18	7.81	8.45	9.06	9.43	9.84
Food	5.56	6.00	6.44	7.05	7.72	8.61	9.46	9.75	10.10	10.42
Textiles	4.51*	4.74	5.17*	5.53	6.00	6.59	7.13	7.35	7.68	7.96
Apparel	3.95	4.39	4.40*	4.70	5.04	5.37	5.60	6.08	6.23	6.43
Paper	5.10	5.41	5.90*	6.45	6.88	7.54	8.00	9.30	9.74	10.04
Printing and Publishing	5.62*	5.85	6.58*	6.96	7.61	8.08	8.79	9.16	9.83	9.99
Chemicals	6.18	6.83	7.34	7.91	8.43	9.36	10.15	10.66	11.20	11.81
Petroleum	7.51	7.96	8.58	9.24*	11.01	11.78	13.06	14.84	14.60	14.91
Rubber and Plastics	4.37	4.75	6.03	5.43	5.89	6.42	6.78	7.54	7.59	8.05
Leather	3.58	3.82	4.08	4.40	4.75	4.94	5.12	5.48	5.73	6.13

*Data not comparable with prior years.

Source: New Jersey Department of Labor, Division of Planning and Research.

STATE OF NEW JERSEY
RETAIL SALES, PERSONAL AND PER CAPITA INCOME, AND NEW DWELLING UNITS

Year	Retail Sales (\$ Millions)	Personal Income (\$ Millions) (R)	Per Capita Income (R)	Value of New Dwelling Units Authorized (\$ Thousands)
1976	\$21,833	\$ 56,182	\$ 7,650	\$ 832,433
1977	24,076	61,245	8,342	998,931
1978	29,003	67,716	9,205	1,262,831
1979	31,997	74,069	10,182	1,274,353
1980	34,274	84,425	11,445	1,010,084
1981	35,976	94,083	12,701	1,022,130
1982	37,584	102,022	13,731	1,003,694
1983	40,543	110,383	14,781	1,837,655
1984	44,840	120,745	16,063	2,678,872 (R)
1985	44,860	130,154	17,211	3,659,843

Sources: New Jersey Department of Labor and New Jersey Economic Policy Council.

(R) Revised

**STATE OF NEW JERSEY
CASH RECEIPTS FROM FARM MARKETINGS
(\$ Millions)**

<u>Year</u>	<u>Livestock and Products</u>	<u>Crops</u>	<u>Total</u>
1976	\$109.6	\$225.9	\$335.5
1977	98.2	250.6	348.8
1978	121.7	277.2	398.9
1979	127.7	287.5	415.2
1980	123.4	319.4	442.8
1981	106.2	353.1	459.3
1982	126.4	389.5	515.9
1983	136.8	357.7	494.5
1984 (R)	134.7	403.7	538.4
1985	144.5	447.0	591.5

Source: New Jersey and U.S. Departments of Agriculture.

(R) 1984 figures revised.

**STATE OF NEW JERSEY
PUBLIC SCHOOL ENROLLMENTS**

<u>Year</u>	<u>K-6</u>	<u>7-8</u>	<u>9-12</u>	<u>Total K-12</u>	<u>Pre-K</u>	<u>Non- Graded</u>	<u>Special Ed.</u>	<u>Post- Graduate</u>	<u>Total Other Grades</u>	<u>Total All Grades</u>
1976	698,087	227,541	451,757	1,377,385	3,059	11,131	28,794	979	43,963	1,421,348
1977	667,578	221,033	447,500	1,336,111	3,801	9,611	30,638	1,367	45,417	1,381,528
1978	638,676	210,104	442,561	1,291,341	3,726	9,337	32,493	430	45,986	1,337,327
1979	612,361	198,802	428,741	1,239,904	4,941	8,239	34,528	647	48,355	1,288,259
1980	590,535	190,369	413,884	1,194,788	5,537	7,611	37,361	711	51,220	1,246,008
1981	567,662	186,973	397,700	1,152,335	5,638	6,246	39,540	959	52,383	1,204,718
1982	548,280	189,097	380,932	1,118,309	5,243	5,904	42,321	743	54,211	1,172,520
1983	534,478	186,013	371,113	1,091,604	5,345	4,766	45,324	802	56,237	1,147,841
1984	532,633	172,588	364,741	1,069,962	5,739	4,540	47,838	1,144	59,261	1,129,223
1985	536,199	159,580	358,855	1,054,634	6,029	4,477	49,728	1,326	61,560	1,116,194

Source: New Jersey Department of Education, Office of Management Information.

(Enrollments—September 30 of year indicated)

STATE OF NEW JERSEY
SECTOR SUMMARY OF FALL ENROLLMENT
NEW JERSEY COLLEGES AND UNIVERSITIES, 1984 and 1985

Full and Part-Time Sector	Undergraduate		Post-Baccalaureate		Total Enrollments	
	1984	1985	1984	1985	1984	1985
Full-Time Enrollment						
Community Colleges	41,171	38,446	—	—	41,171	38,446
State Colleges	38,744	37,267	659	482	39,403	37,749
Rutgers University	27,518	27,950	3,859	3,955	31,377	31,905
N.J. Inst. of Technology	3,254	3,239	486	721	3,740	3,960
Univ. of Medicine & Dent.	63	60	1,894	1,885	1,957	1,945
Independent Colleges	31,242	29,918	6,232	6,365	37,474	36,283
Total Full-Time	141,992	136,880	13,130	13,408	155,122	150,288
Part-Time Enrollment						
Community Colleges	68,802	67,926	—	—	68,802	67,926
State Colleges	22,599	21,337	9,876	9,574	32,475	30,911
Rutgers University	7,536	7,458	8,248	8,283	15,784	15,741
N.J. Inst. of Technology	2,289	2,136	1,206	1,399	3,495	3,535
T. Edison State College	4,231	5,034	—	—	4,231	5,034
Univ. of Medicine & Dent.	7	30	121	139	128	169
Independent Colleges	13,208	12,556	11,453	11,499	24,481	24,055
Total Part-Time	118,492	116,477	30,904	30,894	149,396	147,371
Full and Part-Time						
Community Colleges	109,973	106,372	—	—	109,973	106,372
State Colleges	61,343	58,604	10,535	10,056	71,878	68,660
Rutgers University	35,054	35,408	12,107	12,238	47,161	47,646
N.J. Inst. of Technology	5,543	5,375	1,692	2,120	7,235	7,495
T. Edison State College	4,231	5,034	—	—	4,231	5,034
Univ. of Medicine & Dent.	70	90	2,015	2,024	2,085	2,114
Independent Colleges	44,270	42,474	17,685	17,864	61,955	60,338
Total Full and Part-Time	260,484	253,357	44,034	44,302	304,518	297,659

Source: New Jersey Department of Higher Education, "Opening Fall Enrollments New Jersey Colleges and Universities."

**STATE OF NEW JERSEY
PUBLIC AND INDEPENDENT COLLEGE ENROLLMENT SUMMARY**

FULL-TIME UNDERGRADUATE ENROLLMENT

Year	Community Colleges	State Colleges	Other Public 4-Year(1)	Independent Colleges	Total
1976	41,289	44,420	28,829	34,404	148,942
1977	41,372	44,700	30,696	34,310	151,078
1978	39,885	44,138	31,457	34,263	149,743
1979	43,011	43,508	31,693	35,058	153,270
1980	44,597	43,750	31,144	35,249	154,740
1981	44,766	43,009	31,503	34,092	153,370
1982	45,693	42,419	31,196	33,969	153,277
1983	45,344	40,720	30,858	32,548	149,470
1984	41,171	38,744	30,835	31,242	141,992
1985	38,446	37,267	31,249	29,918	136,880

PART-TIME UNDERGRADUATE ENROLLMENT

1976	50,591	21,316	11,684	12,945	96,536
1977	53,743	21,447	12,903	13,175	101,268
1978	58,836	23,285	14,353	13,164	109,638
1979	61,246	23,804	13,992	12,836	111,878
1980	66,540	23,668	13,418	13,097	116,723
1981	69,114	24,055	13,452	13,723	120,344
1982	72,638	24,144	13,148	13,400	123,330
1983	71,868	23,108	13,775	12,947	121,698
1984	68,802	22,594	14,063	13,022	118,481
1985	67,926	21,337	14,658	12,556	116,477

Source: New Jersey Department of Higher Education, "Opening Fall Enrollments New Jersey Colleges and Universities."
 (1) Includes Rutgers University, New Jersey Institute of Technology, the University of Medicine and Dentistry's School of Allied Health Professions, and Thomas A. Edison State College.

STATE OF NEW JERSEY
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>State Expenditures</u>	<u>Ratio of Debt Service to Total State Expenditures</u>
1977	\$ 52,100,000	\$ 70,400,167	\$122,500,167	\$3,506,816,633	3.49%
1978	64,115,000	80,307,235	144,422,253	4,074,953,540	3.54
1979	76,380,000	85,626,426	162,006,426	4,573,809,761	3.54
1980	77,195,000	87,278,221	164,473,221	4,887,021,448	3.37
1981	85,210,000	87,978,743	173,188,743	5,235,128,551	3.31
1982	85,875,000	99,753,106	185,628,106	5,755,234,238	3.23
1983	107,590,000	131,332,870	238,922,870	6,276,348,823	3.81
1984	115,595,000	150,930,350	266,525,350	6,864,530,156	3.88
1985	138,000,000	159,201,696	297,201,696	7,822,039,674	3.80
1986	136,705,000	159,127,584	295,832,584	8,711,173,294	3.40

STATEMENT OF CHANGES IN BONDED DEBT

<u>Fiscal Year</u>	<u>Outstanding</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding</u>
1977	\$1,360,320,000	\$225,000,000	\$ 52,100,000	\$1,533,220,000
1978	1,533,220,000	120,000,000	64,115,000	1,589,105,000
1979	1,589,105,000	200,000,000	76,380,000	1,712,725,000
1980	1,712,725,000	120,000,000	77,195,000	1,755,530,000
1981	1,755,530,000	150,000,000	78,210,000	1,827,320,000
1982	1,827,320,000	300,000,000	92,875,000	2,034,445,000
1983	2,034,445,000	300,000,000	107,590,000	2,226,855,000
1984	2,226,855,000	125,000,000	115,595,000	2,236,260,000
1985	2,236,260,000	600,000,000	400,500,000	2,435,760,000
1986	2,435,760,000	180,000,000	136,705,000	2,479,055,000

Source: Department of the Treasury, Division of Budget and Accounting.

REVENUE STATEMENTS
BUDGETARY BASIS

**STATE OF NEW JERSEY
SUPPLEMENTARY REVENUE DATA
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

The revenues collected are applied principally to one of five funds—the General Fund, the Property Tax Relief Fund, the Casino Control Fund, the Casino Revenue Fund, or the Gubernatorial Elections Fund. Revenues are recorded as either anticipated revenue or appropriated revenue. Anticipated revenue is utilized to support the appropriations in the annual Appropriations Act. Such revenues are not available for expenditure unless specifically appropriated by the Legislature. Appropriated revenues are such monies not previously anticipated or budgeted, which upon receipt, increase appropriation balances as authorized in the Appropriations Act, and from which expenditures may be made. Most federal aid, except Indirect Cost Recovery, is recorded as appropriated revenue and represents 64.0 per cent of all appropriated revenue. Total revenue from all sources for fiscal year 1986 amounted to \$11,979 million, an increase of \$899 million, or 8.1 per cent over fiscal year 1985.

ANTICIPATED (BUDGETED) REVENUE

Anticipated revenues support what is normally referred to as the Governor's Budget. For fiscal year 1986, these revenues totaled \$8,633 million. This compares to \$8,024 million reported in 1985, and shows an increase of \$609 million, or 7.6 per cent. \$117 million (a 6.1 per cent increase) of the increase relates to proceeds from the Income Tax, which is dedicated by constitutional amendment for property tax relief, and \$273 million (an 11.6 per cent increase) relates to proceeds from the Sales Tax.

A description of the major categories of revenue sources within the five funds and a description of the principal taxes are discussed in the following.

GENERAL FUND

Major Taxes

The major taxes category is composed of seventeen taxes or fees which are levied within the State. The majority of the revenue is generated from the sale and use of goods and services; general business taxes, which are received from various corporations; motor vehicle fees; a public utility excise tax; and other excise taxes. These taxes amounted to \$5,139 million, an increase of 7.9 per cent or \$378 million over fiscal year 1985. A description of the five largest sources, all raising in excess of a \$200 million, follows.

- **The Sales Tax Act** imposes a tax at the rate of 6 per cent on receipts from (a) retail sale, rental, or use of tangible personal property; (b) retail sale

of producing, fabricating, processing, installing, maintaining, repairing, storage, and certain advertising services; (c) sales of restaurant meals; (d) rental of hotel and motel rooms; and (e) certain admission charges. Sales of food, clothing, and other specified items are exempt from collection of the tax.

- **The Cigarette Tax** is imposed at the rate of \$.24 per package of twenty cigarettes. The tax is collected primarily from licensed distributors who receive the cigarettes directly from out-of-state manufacturers. P.L. 1982, c.40, approved June 17, 1982, added a \$.05 per package surtax.
- **The Motor Fuels Tax** applies to sales of gasoline, diesel fuel, or liquified petroleum gas and compressed natural gas used in motor vehicles on public highways. The tax is \$.08 per gallon for gasoline and diesel fuel, and half the rate for the other gases.
- **The Motor Vehicle Fees** include automobile and truck registrations, drivers' licenses, and miscellaneous fees collected by the Division of Motor Vehicles.
- **The Corporation Business Tax** imposes a franchise tax for the privilege of having or exercising a corporate charter or doing business, employing or owning capital or property, or maintaining an office in New Jersey. The tax is applicable to every corporation not expressly exempted. The effective rate is 9 per cent of net income. In addition, a net worth tax is levied on business at various rates ranging from 2/10 of a mill to 2 mills per dollar. P.L. 1982, c.54, approved June 30, 1982, begins a phase-out of the net worth tax over a period of 4 years.

Miscellaneous Taxes, Licenses, and other Departmental Fees

This category includes revenues received by the various state agencies. Typical items include tuition from students at the state colleges, recreation and boating fees, institutional and patient fees, investment earnings, and the like. Between fiscal years 1985 and 1986 these revenues increased from \$658 million to \$723 million.

Interfund Transfers

The Interfund Transfers category includes monies which were received into various bond and trust funds because of legal or statutory requirements, and then subsequently transferred into the General Fund as anticipated revenue for expenditure purposes. Included

in these types of revenue are the monies received by the State Lottery, interest earned on investments of bond funds, and the monies received from taxes levied on New York residents working in New Jersey. The latter tax is commonly referred to as "Commuter Tax." These revenues totaled \$495 million, an increase of \$35 million over that realized in fiscal year 1985.

PROPERTY TAX RELIEF FUND

The Gross Income Tax

This tax is calculated at 2 per cent on the first \$20,000 of taxable income, 2.5 per cent on amounts to \$50,000, and 3.5 per cent on amounts in excess of \$50,000. For fiscal year 1986, this tax yielded \$2,052.6 million for property tax relief—an increase of \$117.1 million over the prior year. All monies in the fund must be appropriated exclusively for reducing or offsetting property taxes.

CASINO REVENUE FUND

A tax of 8 per cent on the gross revenue of all casinos is deposited into the Casino Revenue Fund. All monies in this fund must be used for reduction in property taxes or utility and rental charges of eligible disabled residents and senior citizens. The total tax collected was \$185.6 million, an increase of \$19.0 million over fiscal year 1985.

CASINO CONTROL FUND

License fees for the issuance and annual renewal of casino licenses, slot machines, non-refundable deposits for each application for a license, and fees for the issuance of various work permits are deposited into the Casino Control Fund. Such revenues are used to support the operation of the Casino Control Commission and the Division of Gaming Enforcement. The total revenue collected was \$34.7 million, a decrease of \$6.4 million from fiscal year 1985.

GUBERNATORIAL ELECTIONS FUND

A taxpayer can voluntarily indicate that \$1 of his income tax can be set aside into this special fund. Such monies are used to finance a portion of the expenses of gubernatorial primary and general elections. Total payments to this fund were \$1.7 million in fiscal year 1986.

APPROPRIATED REVENUE

All appropriated revenue is deposited into the General Fund. These revenues include most of the federal aid received by the State, except for General Revenue Sharing, and certain revenues collected by the State and directly utilized by either a state agency or disbursed to a local government for a specific purpose enacted by statute. Federal aid totaled \$2,142 million in fiscal year 1986, which is an increase of \$167.0 million over the amount received in fiscal year 1985. Of the \$2,142 million, the Department of Human Services received \$1,259 million, or 58.8 per cent, for such programs as Aid for Dependent Children, social services, and low-income energy assistance. The Department of Education received \$285 million or 13.3 per cent of the total for such programs as child nutrition, disadvantaged and handicapped children, and vocational education. The Department of Labor received \$236 million, or 11.0 per cent of the total, for various work programs, employment services, and vocational rehabilitation services. The Department of Transportation received \$56 million, or 2.6 per cent of the total for various highway construction, airport, electrical, and traffic control projects.

Some of the kinds of state appropriated revenue received by departments and agencies for specific purposes include: Second Injury Workers' Compensation Insurance Tax, certain corporation taxes from banks (which are disbursed to local governments), and auxiliary services and extension program income at the state colleges.

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE
YEAR ENDED JUNE 30, 1986**

	Anticipated To June 30, 1986	Realized To June 30, 1986 Amount	Per Cent	Realization Over (Under) Anticipation
MAJOR TAXES				
Sales	\$2,470,000,000	\$2,529,091,374	102	\$ 59,091,374
Corporation business	1,015,000,000	996,135,078	98	(18,864,922)
Motor fuels—regular	205,563,000	218,004,616	106	12,441,616
Motor fuels—dedicated	93,437,000	100,194,370	107	6,757,370
Motor vehicle fees	345,000,000	333,339,367	97	(11,660,633)
Cigarette	218,000,000	214,203,041	98	(3,796,959)
Transfer inheritance	155,000,000	188,633,527	122	33,633,527
Insurance premiums	100,000,000	118,698,264	119	18,698,264
Public utility excise	122,500,000	120,082,610	98	(2,417,390)
Alcoholic beverage wholesale sales	83,000,000	85,280,390	103	2,280,390
Business personal property	31,000,000	33,136,984	107	2,136,984
Alcoholic beverage excise	59,500,000	58,562,564	98	(937,436)
Corporation business—Banks and financial institutions	53,000,000	52,644,972	99	(355,028)
Reality transfer	40,000,000	45,612,025	114	5,612,025
Pari-mutuel	6,000,000	7,632,076	127	1,632,076
Motor fuel use	7,000,000	20,801,999	297	13,801,999
Savings Institutions	5,000,000	16,940,087	339	11,940,087
TOTAL MAJOR TAXES	5,009,000,000	5,138,993,344	103	129,993,344
MISCELLANEOUS TAXES, FEES, REVENUES				
Executive Branch:				
Department of Agriculture:				
Animal health—laboratory test fees	50,000	50,001	100	1
Fertilizer inspection and other fees	144,000	168,581	117	24,581
Milk control licenses and fees	360,000	388,427	108	28,427
Other animal plant disease and pest control fees	17,000	8,070	47	(8,930)
Seed certification programs	5,000	4,998	100	(2)
Total Department of Agriculture	576,000	620,077	108	44,077
Department of Banking:				
Bank assessments	1,439,000	1,490,299	104	51,299
Examination fees	1,521,000	1,281,967	84	(239,033)
Licenses and other fees	893,000	782,903	88	(110,097)
New Jersey Cemetery Board	86,000	88,497	103	2,497
Total Department of Banking	3,939,000	3,643,666	93	(295,334)
Department of Community Affairs:				
Boarding home fees	275,000	550,798	200	275,798
Construction fees	388,000	1,337,446	345	949,446
Housing inspection fees	1,535,000	1,783,820	116	248,820
Local government services	—	89,427	—	89,427
Planned real estate development fees	425,000	425,000	100	—
Total Department of Community Affairs	2,623,000	4,186,491	160	1,563,491

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1986**

	Anticipated To June 30, 1986	Realized To June 30, 1986 Amount	Per Cent	Realization Over (Under) Anticipation
Department of Education:				
Katzenbach School for the Deaf—Tuition	2,805,000	2,305,518	82	(499,482)
Licensing fees—Miscellaneous	176,000	323,139	184	147,139
Non—public schools textbook recoveries	215,000	2,855,015	1,328	2,640,015
Total Department of Education	3,196,000	5,483,672	172	2,287,672
Department of Energy:				
Assessments—Cable TV	1,200,000	1,163,882	97	(36,118)
Assessments—Public Utility	15,900,000	15,800,512	99	(99,488)
Fees, fines and penalties	100,000	100,000	100	—
Total Department of Energy	17,200,000	17,064,394	99	(135,606)
Department of Environmental Protection:				
Air pollution fees	425,000	426,900	100	1,900
Examination licensing fees	17,000	16,365	96	(635)
Forest management sales	39,000	26,818	69	(12,182)
Hazardous Waste	—	1,165,527	—	1,165,527
Hunters' and Anglers' License Fund	6,627,000	7,520,848	113	893,848
Marina rentals	793,000	792,991	100	(9)
Marine Lands Management—Delineation and title determination—School Fund	842,000	842,000	100	—
Marine Lands Management—Miscellaneous	30,000	43,400	145	13,400
Morris Canal Fund	48,000	83,773	175	35,773
New Jersey Pilot Commissioners	73,000	73,000	100	—
Parks management	2,875,000	3,180,755	111	305,755
Radiation protection	433,000	519,282	120	86,282
New Jersey Water Supply Authority Debt Service Repayment	1,291,000	1,291,000	100	—
Shell fisheries leases	306,000	255,788	84	(50,212)
Solid waste management fees	1,018,000	525,558	52	(492,442)
Water monitoring and planning	125,000	135,000	108	10,000
Water pollution fees	50,000	709,802	1,420	659,802
Total Department of Environmental Protection	14,992,000	17,608,807	117	2,616,807
Department of Health:				
Licenses, permits and fees	1,035,000	1,083,390	105	48,390
Total Department of Health	1,035,000	1,083,390	105	48,390

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1986**

	Anticipated To June 30, 1986	Realized To June 30, 1986 Amount	Per Cent	Realization Over (Under) Anticipation
Department of Higher Education:				
Bond interest recoveries	358,000	358,478	100	478
School of Conservation	475,000	475,000	100	—
Student Financial Support	—	18,000	—	18,000
Thomas A. Edison College				
Tuition—Regular	463,000	476,952	103	13,952
Glassboro State College				
Miscellaneous institutional support	35,000	41,278	118	6,278
NJ Educational Computer Network	—	1,546	—	1,546
Other student fees	84,000	113,309	135	29,309
Tuition—Regular	6,580,000	6,581,876	100	1,876
Jersey City State College				
Miscellaneous institutional support	26,000	34,138	131	8,138
Other student fees	50,000	50,699	101	699
Tuition—Regular	5,261,000	4,979,450	95	(281,550)
Kean College of New Jersey				
Miscellaneous institutional support	99,000	99,102	100	102
Other student fees	96,000	99,571	104	3,571
Tuition—Regular	8,272,000	8,093,076	98	(178,924)
William Paterson College				
Miscellaneous institutional support	111,000	116,791	105	5,791
Other student fees	88,000	78,032	89	(9,968)
Tuition—Regular	7,015,000	7,056,408	101	41,408
Montclair State College				
Miscellaneous institutional support	80,000	80,199	100	199
Other student fees	134,000	133,376	100	(624)
Tuition—Regular	9,856,000	9,856,145	100	145
Trenton State College				
Miscellaneous institutional support	5,000	9,127	183	4,127
Other student fees	93,000	99,009	106	6,009
Tuition—Regular	6,183,000	6,205,057	100	22,057
Ramapo College of New Jersey				
Miscellaneous institutional support	19,000	31,868	168	12,868
Other student fees	26,000	25,810	99	(190)
Tuition—Regular	2,936,000	2,873,569	98	(62,431)
Richard Stockton State College				
Miscellaneous institutional support	30,000	38,914	130	8,914
Other student fees	38,000	44,905	118	6,905
Tuition—Regular	3,897,000	3,897,358	100	358
Total Department of Higher Education	52,310,000	51,969,043	99	(340,957)

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1986**

	Anticipated To June 30, 1986	Realized To June 30, 1986 Amount	Per Cent	Realization Over (Under) Anticipation
Department of Human Services:				
Adoption law fees	200,000	113,534	57	(86,466)
Medicare recoveries	2,000,000	—	—	(2,000,000)
Patients and residents recoveries:				
Developmental Centers:				
Edward R. Johnstone Training and Research Center	2,300,000	2,844,526	124	544,526
Green Brook Regional Center	1,300,000	1,551,821	119	251,821
Hunterdon Development Center	8,800,000	7,914,205	90	(885,795)
North Princeton Development Center	7,600,000	6,983,088	92	(616,912)
New Lisbon Development Center	7,600,000	8,954,026	118	1,354,026
North Jersey Development Center	7,600,000	7,000,821	92	(599,179)
Vineland Development Center	14,800,000	16,152,119	109	1,352,119
Woodbine Development Center	8,000,000	8,821,167	110	821,167
Woodbridge Development Center	8,000,000	8,420,436	105	420,436
Psychiatric hospitals:				
Ancora Psychiatric Hospital	14,400,000	13,301,268	92	(1,098,732)
Arthur Brisbane Child Center at Allaire	1,400,000	2,413,478	172	1,013,478
Forensic Psychiatric Hospital	1,800,000	2,425,598	135	625,598
Glen Gardner Center for Geriatrics	3,100,000	2,714,586	88	(385,414)
Greystone Park Psychiatric Hospital	21,000,000	19,822,542	94	(1,177,458)
Marlboro Psychiatric Hospital	14,900,000	15,776,360	106	876,360
Trenton Psychiatric Hospital	10,400,000	10,612,239	102	212,239
Soldiers homes:				
Menlo Park	3,400,000	3,655,767	108	255,767
Vineland	2,600,000	2,636,461	101	36,461
Special residential services	14,115,000	14,923,290	106	808,290
Total Department of Human Services	155,315,000	157,037,332	101	1,722,332
Department of Insurance:				
Actuarial Services	895,000	910,648	102	15,648
Licensing and enforcement	4,000,000	3,943,602	99	(56,398)
Real Estate Commission	2,090,000	1,510,692	72	(579,308)
Total Department of Insurance	6,985,000	6,364,942	91	(620,058)
Department of Labor:				
Licenses, permits and fines	761,000	761,541	100	541
Special Compensation Fund	967,000	967,000	100	—
Total Department of Labor	1,728,000	1,728,541	100	541

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1986**

	Anticipated To June 30, 1986	Realized To June 30, 1986 Amount	Per Cent	Realization Over (Under) Anticipation
Department of Law and Public Safety:				
Amusement Games Control fees	238,000	117,760	49	(120,240)
Beverage licenses	4,041,000	3,557,553	88	(483,447)
Bus Excise Tax	350,000	324,054	93	(25,946)
Division of Consumer Affairs:				
General revenues:				
Athletic Commission	250,000	—	—	(250,000)
Bureau of Securities	1,500,000	1,865,955	124	365,955
Consumer fines	45,000	118,227	263	73,227
Kosher Food Inspection	10,000	8,800	88	(1,200)
Legalized Games of Chance Control	425,000	402,482	95	(22,518)
Private Employment Agencies	255,000	310,396	122	55,396
Weights and Measures—General	140,000	117,335	84	(22,665)
Professional examining board fees:				
State Board of Architects	210,000	210,000	100	—
State Board of Audiology and Speech Language Pathology Advisory	70,000	19,300	28	(50,700)
State Board of Barber Examiners	170,000	170,000	100	—
State Board of Beauty Culture	505,000	505,000	100	—
State Board of Certified Public Accountants	545,000	545,000	100	—
State Board of Dentistry	270,000	270,000	100	—
State Board of Electrical Contractors	229,000	229,000	100	—
State Board of Examiners of Master Plumbers	200,000	200,000	100	—
State Board of Examiners of Ophthalmic Dispensers and Ophthalmic Technicians	92,000	92,000	100	—
State Board of Marriage Counselor Examiners	45,000	45,000	100	—
State Board of Medical Examiners	1,177,000	1,177,000	100	—
State Board of Mortuary Science	100,000	100,000	100	—
State Board of Nursing	968,000	968,000	100	—
State Board of Optometrists	101,000	101,000	100	—
State Board of Pharmacy	596,000	596,000	100	—
State Board of Physical Therapy	80,000	80,000	100	—
State Board of Professional Engineers and Land Surveyors	345,000	345,000	100	—
State Board of Professional Planners	104,000	104,000	100	—
State Board of Psychological Examiners	80,000	80,000	100	—
State Board of Public Movers and Warehousemen	102,000	102,000	100	—
State Board of Shorthand Reporting	17,000	17,000	100	—
State Board of Veterinary Medical Examiners	94,000	94,000	100	—
Division of State Police:				
Private Detective Licenses	583,000	—	—	(583,000)
Other Licenses	271,000	775,531	286	504,531
Motor Vehicle Security Responsibility Law Administration	5,232,000	5,232,000	100	—
Motor vehicle surcharge program	7,800,000	8,208,494	105	408,494
Pleasure boat licenses	1,400,000	1,400,000	100	—
Other boating fees	75,000	70,278	94	(4,722)
Total Department of Law and Public Safety	28,715,000	28,558,165	99	(156,835)

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1986**

	Anticipated To June 30, 1986	Realized To June 30, 1986 Amount	Per Cent	Realization Over (Under) Anticipation
Department of State:				
Administrative Laws—Fees	1,750,000	1,904,696	109	154,696
Commissions	600,000	521,285	87	(78,715)
General revenues—Fees	8,000,000	8,709,709	109	709,709
Uniform Commercial Code—Fees	1,600,000	1,892,256	118	292,256
Total Department of State	11,950,000	13,027,946	109	1,077,946
Department of Transportation:				
Applications and highway permits	534,000	609,220	114	75,220
Autonomous transportation authorities	25,000,000	25,750,000	103	750,000
Outdoor advertising	230,000	243,042	106	13,042
Total Department of Transportation	25,764,000	26,602,262	103	838,262
Department of Treasury:				
Coin operated telephones	60,000	137,890	230	77,890
Escheats, Personal Property (14 year law)	200,000	181,519	91	(18,481)
Interest on deposits	2,000,000	1,201,210	60	(798,790)
Investment earnings	28,000,000	49,744,169	178	21,744,169
Municipal purposes tax assistance fund	60,000,000	77,000,000	128	17,000,000
New Jersey Sports and Exposition Authority	1,000,000	—	—	(1,000,000)
Public Utility Taxes—Administration	250,000	232,007	93	(17,993)
Public Utility Gross Receipts and Franchise Taxes	125,000,000	119,000,000	95	(6,000,000)
Railroad Tax:				
Class II	40,000	39,561	99	(439)
Class II—Prior years	—	111,068	—	111,068
Franchise	34,000	50,251	148	16,251
Vending machine commission	150,000	121,688	81	(28,312)
Total Department of the Treasury	216,734,000	247,819,363	114	31,085,363
Miscellaneous Executive Commissions:				
Delaware River Joint Toll Bridge Commission Pennsylvania share	1,100,000	1,116,667	102	16,667
Total Miscellaneous Executive Commissions	1,100,000	1,116,667	102	16,667
Other Sources:				
Miscellaneous revenue	1,500,000	1,037,643	69	(462,357)
Total Other Sources	1,500,000	1,037,643	69	(462,357)

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1986**

	Anticipated To June 30, 1986	Realized To June 30, 1986 Amount	Per Cent	Realization Over (Under) Anticipation
Inter-Departmental Accounts:				
Administration and investment of pension and social security funds	10,000,000	19,639,113	196	9,639,113
Deferred compensation cost reimbursement	—	230,011	—	230,011
Employee maintenance deduction	1,300,000	1,300,175	100	175
Health benefits contribution				
reimbursement from special funds	21,500,000	20,072,157	93	(1,421,843)
Indirect cost recovery—Federal	8,000,000	8,000,000	100	—
Other fringe benefit reimbursement				
from special funds	2,300,000	1,449,370	63	(850,630)
Pension contribution reimbursement				
from special funds	31,500,000	28,777,051	91	(2,722,949)
Public employer's contribution				
reimbursement	10,500,000	16,533,572	157	6,033,572
Reimbursement from Rutgers—Employer's share of employees' benefits	5,200,000	3,735,079	72	(1,464,921)
Rent of State building space	1,000,000	1,667,247	167	667,247
Social security contribution				
reimbursement from special funds	20,000,000	19,516,982	98	(483,018)
Total Inter-Departmental Accounts	111,300,000	120,926,757	109	9,626,757
Judicial Branch:				
Court fees	13,871,000	18,513,344	133	4,642,344
Violent Crimes Compensation Act	2,750,000	—	—	(2,750,000)
Total Judicial Branch	16,621,000	18,513,344	111	1,892,344
TOTAL MISCELLANEOUS TAXES, FEES, REVENUES	673,583,000	724,392,502	108	50,809,502
INTERFUND TRANSFERS				
Beaches and Harbor Fund	300,000	690,981	230	390,981
Clean Water Fund	600,000	2,071,457	345	1,471,457
Community Development Bond Fund	52,000	379,540	730	327,540
Correctional Facilities Construction Fund	3,000,000	2,978,041	99	(21,959)
Disability Benefits Liability Fund	110,000	79,408	72	(30,592)
Emergency Flood Control Fund	500,000	501,172	100	1,172
Energy Conservation Fund	750,000	686,626	92	(63,374)
Farmland Preservation Fund	500,000	601,154	120	101,154
Fund for Support of Free Public Schools—				
Investment earnings	3,700,000	3,914,463	106	214,463
General Trust Fund	—	427	—	427
Hazardous Discharge Fund	500,000	—	—	(500,000)
Higher Education Buildings Construction				
Fund (Act of 1971)	50,000	80,393	161	30,393
Housing Assistance Fund	—	194,185	—	194,185
Human Services Facilities				
Construction Fund	800,000	1,000,353	125	200,353

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF ANTICIPATED REVENUE (Continued)
YEAR ENDED JUNE 30, 1986**

	Anticipated To June 30, 1986	Realized To June 30, 1986 Amount	Per Cent	Realization Over (Under) Anticipation
Institutional Construction Fund 1978	300,000	143,992	48	(156,008)
Institutions Construction Fund	100,000	105,212	105	5,212
Jobs, Science and Technology Fund	1,000,000	553,265	55	(446,735)
Medical Education Facilities Fund	—	60,580	—	60,580
Mortgage Assistance Fund	200,000	567,530	284	367,530
Motor Vehicle Security—Responsibility Fund	32,000	17,610	55	(14,390)
Natural Resources Fund	1,500,000	2,446,174	163	946,174
New Jersey Bridge Rehabilitation and Improvement Fund	1,260,000	1,038,693	82	(221,307)
1983 New Jersey Green Acres Fund	500,000	1,404,273	281	904,273
New Jersey Spill Compensation Fund	—	950,000	—	950,000
Outstanding Checks 6 years & over Escheated	1,030,000	1,236,359	120	206,359
Outstanding Checks Account	686,000	537,245	78	(148,755)
Public Building Construction Fund	50,000	28,752	58	(21,248)
Public Purpose Buildings Construction Fund	2,000,000	2,737,318	137	737,318
Shore Protection Fund	500,000	1,146,931	229	646,931
State Disability Benefits Fund	13,002,000	12,882,938	99	(119,062)
State Land Acquisition and Development Fund	1,500,000	1,389,753	93	(110,247)
State Lottery Fund	400,000,000	419,353,272	105	19,353,272
State of New Jersey Cash Management Fund	100,000	679,532	680	579,532
State Recreation and Conservation Land Acquisition and Development Fund (Act of 1974)	1,000,000	1,148,049	115	148,049
State Recreation and Conservation Land Acquisition and Development Fund (Act of 1971)	200,000	162,113	81	(37,887)
State Transportation Fund	500,000	776,950	155	276,950
State Water Development Fund	20,000	26,504	133	6,504
Transportation Fund	—	575,648	—	575,648
Transportation Rehabilitation and Improvement Fund of 1979	5,000,000	4,961,006	99	(38,994)
Unclaimed Bank Deposits Escheat Reserve Fund	1,750,000	1,894,125	108	144,125
Unclaimed Domestic Life Insurance Escheat Reserve Fund	550,000	906,617	165	356,617
Unclaimed Personal Property Trust Fund	2,500,000	10,844,004	434	8,344,004
Unemployment Benefit Liability Fund	125,000	91,469	73	(33,531)
Unemployment Compensation Auxiliary Fund	10,476,000	8,715,328	83	(1,760,672)
Unsatisfied Claim and Judgement Fund	755,000	723,753	96	(31,247)
Water Conservation Fund	500,000	536,439	107	36,439
Water Supply Fund	1,000,000	3,403,053	340	2,403,053
Worker and Community Right to Know Fund	510,000	177,800	35	(332,200)
TOTAL INTERFUND TRANSFERS	459,508,000	495,400,487	108	35,892,487
TOTAL REVENUES, GENERAL FUND	\$6,142,091,000	\$6,358,786,333	104	\$216,695,333

STATE OF NEW JERSEY
PROPERTY TAX RELIEF FUND
STATEMENT OF ANTICIPATED REVENUE
YEAR ENDED JUNE 30, 1986

	Anticipated To June 30, 1986	Realized To June 30, 1986 Amount	Per Cent	Realization Over (Under) Anticipation
Gross Income Tax	\$2,005,000,000	\$2,052,592,417	102	\$47,592,417
TOTAL PROPERTY TAX RELIEF FUND	<u>\$2,005,000,000</u>	<u>\$2,052,592,417</u>	102	<u>\$47,592,417</u>

STATE OF NEW JERSEY
GUBERNATORIAL ELECTIONS FUND
STATEMENT OF ANTICIPATED REVENUE
YEAR ENDED JUNE 30, 1986

	Anticipated To June 30, 1986	Realized To June 30, 1986 Amount	Per Cent	Realization Over (Under) Anticipation
Taxpayers' Designations	\$1,550,000	\$1,678,987	108	\$128,987
TOTAL GUBERNATORIAL ELECTIONS FUND	<u>\$1,550,000</u>	<u>\$1,678,987</u>	108	<u>\$128,987</u>

STATE OF NEW JERSEY
CASINO CONTROL FUND
STATEMENT OF ANTICIPATED REVENUE
YEAR ENDED JUNE 30, 1986

	Anticipated To June 30, 1986	Realized To June 30, 1986 Amount	Per Cent	Realization Over (Under) Anticipation
Licenses and Fees	\$47,929,000	\$34,745,448	72	\$(13,183,552)
TOTAL CASINO CONTROL FUND	<u>\$47,929,000</u>	<u>\$34,745,448</u>	72	<u>\$(13,183,552)</u>

STATE OF NEW JERSEY
CASINO REVENUE FUND
STATEMENT OF ANTICIPATED REVENUE
YEAR ENDED JUNE 30, 1986

	Anticipated To June 30, 1986	Realized To June 30, 1986 Amount	Per Cent	Realization Over (Under) Anticipation
Gross Revenue Tax	\$172,000,000	\$176,707,149	103	\$4,707,149
Investment Income	4,000,000	8,922,537	223	4,922,537
TOTAL CASINO REVENUE FUND	<u>\$176,000,000</u>	<u>\$185,629,686</u>	105	<u>\$9,629,686</u>

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATED REVENUE
YEAR ENDED JUNE 30, 1986**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
LEGISLATIVE BRANCH	\$ —	\$ —	\$ 10,000	\$ 10,000
EXECUTIVE BRANCH:				
Chief Executive	—	22,774	200,000	222,774
Agriculture	55,879	1,384,897	11,920,290	13,361,066
Civil Service	341,904	10	—	341,914
Commerce and Economic Development	—	—	107,911	107,911
Community Affairs	2,975,795	78,454,039	23,076,380	104,506,214
Corrections	—	104,604	21,361,882	21,466,486
Defense	374,830	3,947,074	—	4,321,904
Education	1,009,527	284,957,203	4,291,274	290,258,004
Energy	837,483	79,738,835	4,641,162	85,217,480
Environmental Protection	8,027,696	25,767,826	24,501,384	58,296,906
Health	4,435,133	72,244,966	6,629,792	83,309,891
Higher Education	5,304,655	29,626,783	52,194,962	87,126,400
Human Services	6,671,244	1,259,483,352	52,224,856	1,318,379,452
Insurance	173,117	—	483,028	656,145
Labor	4,440,032	235,755,500	36,575,128	276,770,660
Law and Public Safety	11,337,554	12,953,140	25,489,252	49,779,946
Public Advocate	490,452	573,339	4,243,129	5,306,920
State	810,620	768,562	2,128,869	3,708,051
Transportation	1,296,004	56,157,280	10,199,146	67,652,430
Treasury	887,155	—	873,423,217	874,310,372
TOTAL EXECUTIVE BRANCH	49,469,080	2,141,940,184	1,153,691,662	3,345,100,926
JUDICIAL BRANCH	47,459	126,445	1,665,439	1,839,343
TOTAL APPROPRIATED REVENUE	\$49,516,539	\$2,142,066,629	\$1,155,367,101	\$3,346,950,269

EXPENDITURE STATEMENTS
BUDGETARY BASIS

**STATE OF NEW JERSEY
SUPPLEMENTARY EXPENDITURE DATA
FOR THE FISCAL YEAR ENDED JUNE 30, 1986**

Expenditures are made against authorized appropriations specifically identified in the annual Appropriations Act or subsequent supplemental appropriations. The term, "expenditures" is commonly referred to as "budgetary expenditures" and includes not only actual disbursements, but also encumbrances. These expenditures are associated with the annual State Budget. The State, however, also makes expenditures against "other authorized appropriations." These appropriations include federal aid and certain receipts known as appropriated revenue. In addition, provisions in the Appropriations Act permit the carrying forward of unexpended balances of prior appropriations.

Total expenditures in the General Fund in fiscal year 1986 were \$9,624.7 million, an increase of \$884.3 million over fiscal year 1985. General Fund expenditures associated with the 1986 Appropriations Act amounted to \$6,426.8 million, an increase of \$745.8 million or 13.1 per cent over fiscal year 1985. In addition, expenditures from the Property Tax Relief Fund amounted to \$2,071.4 million, and expenditures from the Casino Revenue Fund amounted to \$164.9 million. The grand total of expenditures in fiscal year 1986 amounted to \$11.9 billion, an increase of \$1.0 billion or 9.2 per cent over fiscal year 1985.

STATE AID TO LOCAL GOVERNMENTS

State aid was the largest expenditure of the state budget. State aid pertains to those expenditures paid by the State to a local government or non-profit agency to help finance activities which are the responsibility of the local unit. Most state aid expenditures are based upon statutory formula. In fiscal year 1986, 51.8 per cent of the State's expenditures consisted of funds which were distributed to homeowners, municipalities, counties, school districts, and for the non-federal share of the Medicaid program. The total amount expended for state aid was \$4,512.7 million.

The largest state aid expenditure, \$2,677.6 million, was provided for local elementary and secondary education programs. Of this amount, \$1,266.8 million was provided as equalization aid to each school district by formula based upon the number of students and the ability of the school district to raise taxes from its own base. In addition, the State provided \$252.7 million for special education programs for mentally retarded, visually handicapped, and other children with special needs.

A compensatory education program (\$104.2 million) was also funded for those children needing to improve

basic skills such as mathematics, reading, etc. The State also expended \$570.5 million on behalf of local governments as the employer's share of the Teachers' Pension and Benefits programs, and \$155.5 million to pay 90 percent of all approved pupil transportation costs. Additional state aid provided for a portion of the cost of building construction, school lunches, vocational education, adult and continuing education, and local library aid.

State aid expenditures by the Treasury Department totaled \$657.5 million in fiscal year 1986. The principal programs funded were homestead rebates to homeowners to provide property tax relief (\$300.9 million), the cost of senior citizens' and veterans' property tax deductions (\$48.0 million), revenue sharing to municipalities to reduce property taxes (\$50.0 million), payment of a portion of the public utilities taxes to qualifying municipalities (\$17.9 million), taxes previously paid on business personal property (\$158.0 million), and in lieu of tax payments (\$14.1 million).

A total of \$821.1 million was expended for state aid programs administered by the Department of Human Services. Of that amount, \$557.2 million was expended as the State's share of Medicaid, which provides hospital, nursing home, medical, and pharmacist services for those people eligible for a variety of welfare programs. In addition, \$265.4 million was expended for welfare programs, \$33.8 million for community mental health services, and \$40.3 million for youth and family child care services.

Other expenditures of state aid in fiscal year 1986 included aid to county colleges (\$88.7 million), municipal aid to eligible urban communities to maintain and upgrade municipal services (\$40.1 million), and county welfare equalization aid (\$15.0 million).

DIRECT STATE SERVICES

The second largest portion of expenditures in fiscal year 1986 was applied to direct state services programs, under the direct responsibility of the State government's twenty departments, the Executive Office, several commissions, the Legislature, and the Judiciary. In fiscal year 1986, expenditures for direct state services totaled \$3,629.5 million and represented approximately 42 per cent of expenditures. Some of the major expenditures for direct state services during fiscal year 1986 are described as follows.

A total of \$676.7 million was expended by the Department of Higher Education for the support of the state colleges; Rutgers, the State University; the New

ersey Institute of Technology; and the University of Medicine and Dentistry of New Jersey.

A total of \$776.6 million was expended for programs administered by the Department of Human Services. Expenditures were made to provide support for day care centers, homemaker services, child abuse prevention, juvenile reform programs, and mental health and mental retardation programs, including the operation of seven psychiatric institutions and seven schools for the retarded. \$89.8 million was expended on the Pharmaceutical Assistance to the Aged/Disabled Program.

A total of \$557.6 million was expended by the Departments of Law and Public Safety, and Corrections. Among the programs supported by this expenditure were the administration of the State's fourteen correctional facilities and parole activities, the registration and regulation of motor vehicles and licensed drivers, and the investigative and enforcement activities of the State Police.

A total of \$309.1 million was expended by the Department of Transportation for the various programs it administers, such as the maintenance and improvement of the State's highway system of 10,519 lane miles, and operating subsidies for railroads and bus companies.

A total of \$114.3 million was expended for community development and environmental protection programs, principally for the protection of air, land, forest, wild life, shellfish resources, and for the provision of outdoor recreational facilities.

DEBT SERVICE

The primary method of state financing of capital projects is through the sale of general obligation bonds of the State of New Jersey. These bonds are backed by the full faith and credit of the State. State tax revenues are pledged to meet the principal and interest payments required to fully pay the debt. When the State

sells bonds, it commits itself to repay the borrowed amount in full and with interest. Debt service refers to these annual principal and interest payments. The total of principal and interest paid in fiscal year 1986 was \$295.8 million, as compared to \$295.3 million in fiscal year 1985. Debt service represents 3.4 per cent of the total state expenditures.

CAPITAL CONSTRUCTION

In 1986, \$273.2 million, or 3.1 per cent of the state budget, was expended for capital construction. This compares to \$240.8 million expended in 1985. Monies expended for capital construction represent the State's effort on a pay-as-you-go basis as contrasted to issuing bonds.

The largest pay-as-you-go capital expenditure was in the area of highway construction (\$166.3 million). These monies include federal funds which were matched by state funds for highway construction under one of several federal programs, namely, Interstate Highway Projects, Urban Highway Projects, Rural Highway Projects, and Highway Safety Projects. Other capital monies were used to finance highway projects which were not eligible for federal highway aid. Most of the remaining capital expenditures were for renovations and improvements at state institutions, state colleges and universities.

Capital expenditures are subject to the review and recommendation of the New Jersey Commission on Capital Budgeting and Planning. This permanent Commission was established in November, 1975, and is charged with the preparation of the State Capital Improvement Plan, which contains proposals for state spending for capital projects. The Capital Improvement Plan must be submitted to the Governor and the Legislature by December 1 of each year. The recommendations for capital expenditures from both the General Fund and the bond fund accounts made by the Commission to the Governor and Legislature are recognized in the annual state Budget.

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 1986**

	<u>Original and Supplemental Appropriations</u>	<u>Other Authorized Appropriations</u>	<u>Expenditures</u>
<u>DIRECT STATE SERVICES</u>			
LEGISLATIVE BRANCH	\$ 31,977,000	\$ 14,333,104	\$ 31,806,595
EXECUTIVE BRANCH			
Chief Executive's Office	3,862,000	555,736	4,080,213
Agriculture	8,230,000	137,347	7,084,108
Banking	9,810,000	152,849	4,662,617
Civil Service	14,873,000	2,404,893	15,804,494
Commerce and Economic Development	22,626,000	8,536,042	27,303,217
Community Affairs	20,836,622	4,204,251	19,140,929
Corrections	262,259,000	18,693,385	265,806,655
Defense	10,095,000	1,290,825	10,217,189
Education	32,513,000	4,036,549	33,574,759
Energy	20,135,000	4,404,857	22,110,330
Environmental Protection	75,231,000	16,648,285	75,534,739
Health	45,483,000	8,558,565	44,191,185
Higher Education	641,082,000	60,821,533	661,151,796
Human Services	613,593,000	59,219,748	629,203,894
Insurance	7,242,000	5,065,554	10,016,404
Labor	48,341,000	7,167,881	46,224,694
Law and Public Safety	232,721,000	34,512,107	228,501,987
Public Advocate	31,602,000	3,174,433	34,106,688
State	26,802,400	1,913,241	24,469,986
Transportation	294,860,000	25,543,161	292,616,971
Treasury	99,966,000	28,192,613	103,083,281
Miscellaneous Executive Commissions	3,274,000	911,399	3,435,457
Inter-Departmental Accounts	785,949,000	(142,080,442)	601,684,970
TOTAL EXECUTIVE BRANCH	3,311,386,022	154,064,812	3,164,006,563
JUDICIAL BRANCH	65,401,045	8,183,126	64,502,399
TOTAL DIRECT STATE SERVICES	<u>\$3,408,764,067</u>	<u>\$176,581,042</u>	<u>\$3,260,315,557</u>

<u>Lapsed</u>	<u>Encumbrances</u>	<u>Continuing Appropriations</u>
\$ —	\$ 3,029,648	\$ 11,473,861
—	85,214	252,309
10,160	986,592	286,487
81,616	211,126	5,007,490
15,389	974,289	483,721
32,573	3,516,392	309,860
1,110,259	3,284,442	1,505,243
489,219	10,284,035	4,372,476
17,327	1,020,612	130,697
256,512	2,562,729	155,549
6	1,111,144	1,318,377
281,920	10,307,957	5,754,669
885,144	6,175,892	2,789,344
744,022	15,528,265	24,479,450
4,044,464	34,539,597	5,024,793
24,800	1,137,527	1,128,823
1,945,553	6,021,024	1,317,610
755,047	23,753,090	14,222,983
8,380	573,555	87,810
334,543	3,135,441	775,671
116,226	16,499,964	11,170,000
915,330	12,545,898	11,614,104
279	72,419	677,244
10,739,537	13,586,018	17,858,033
22,808,306	167,913,222	110,722,743
—	7,428,813	1,652,959
<u>\$22,808,306</u>	<u>\$178,371,683</u>	<u>\$123,849,563</u>

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 1986

	<u>Original and Supplemental Appropriations</u>	<u>Other Authorized Appropriations</u>	<u>Expenditures</u>
STATE AID			
EXECUTIVE BRANCH			
Commerce and Economic Development	\$ 2,470,825	\$ —	\$ 2,470,824
Community Affairs	156,191,000	1,561,919	117,210,139
Education	1,038,009,000	15,516,256	1,018,454,730
Environmental Protection	73,159,000	3,790,848	5,901,529
Health	12,414,000	186,380	11,011,755
Higher Education	87,625,000	3,120,343	88,746,071
Human Services	911,296,000	(15,482,577)	801,015,396
State	1,391,000	—	1,391,000
Transportation	1,700,000	7,233,563	2,270,946
Treasury	241,473,000	—	240,644,669
TOTAL EXECUTIVE BRANCH	<u>2,525,728,825</u>	<u>15,926,732</u>	<u>2,289,117,059</u>
TOTAL STATE AID	<u>\$2,525,728,825</u>	<u>\$15,926,732</u>	<u>\$2,289,117,059</u>

<u>Lapsed</u>	<u>Encumbrances</u>	<u>Continuing Appropriations</u>
\$ —	\$ —	\$ 1
561,828	24,744,928	15,236,024
13,483,819	10,503,695	11,083,012
233,796	1,829,268	68,985,255
16,820	1,571,805	—
—	18,124	1,981,148
1,833,895	89,564,132	3,400,000
—	—	—
—	1,771,093	4,891,524
161,803	16,984	649,544
<u>16,291,961</u>	<u>130,020,029</u>	<u>106,226,508</u>
<u>\$16,291,961</u>	<u>\$130,020,029</u>	<u>\$106,226,508</u>

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 1986**

	<u>Original and Supplemental Appropriations</u>	<u>Other Authorized Appropriations</u>	<u>Expenditures</u>
<u>CAPITAL CONSTRUCTION</u>			
LEGISLATIVE BRANCH	\$ —	\$ 15,297,648	\$ 7,917,475
EXECUTIVE BRANCH			
Agriculture	222,000	500,013	119,050
Commerce and Economic Development	5,000,000	—	—
Corrections	70,400,000	9,324,184	5,465,411
Defense	1,921,000	1,804,531	637,837
Education	2,522,000	1,840,710	419,814
Energy	1,840,000	101	1,810,874
Environmental Protection	158,055,000	24,399,029	21,689,623
Health	2,000,000	167,770	182,452
Higher Education	18,850,000	29,971,607	5,224,392
Human Services	3,570,000	32,250,075	6,927,571
Law and Public Safety	11,612,000	6,408,993	3,013,525
State	—	3,034,768	328,167
Transportation	156,000,000	28,359,972	164,088,661
Treasury	38,926,000	3,923,106	2,572,437
Miscellaneous Executive Commissions	2,000	350,000	295,828
TOTAL EXECUTIVE BRANCH	<u>470,920,000</u>	<u>142,334,859</u>	<u>212,775,642</u>
TOTAL CAPITAL CONSTRUCTION	<u>\$470,920,000</u>	<u>\$157,632,507</u>	<u>\$220,693,117</u>

<u>Lapsed</u>	<u>Encumbrances</u>	<u>Continuing Appropriations</u>
\$ —	\$ 2,875,769	\$ 4,504,404
—	296,631	306,332
—	—	5,000,000
—	6,669,212	67,589,561
—	959,471	2,128,223
—	105,780	3,837,116
—	—	29,227
—	26,344,496	134,419,910
—	1,691,307	294,011
—	1,902,654	41,694,561
—	2,916,990	25,975,514
—	2,308,532	12,698,936
—	1,822,688	883,913
—	2,165,538	18,105,773
392	2,417,831	37,858,446
—	5,996	50,176
392	49,607,126	350,871,699
\$392	\$52,482,895	\$355,376,103

STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 1986

	Original and Supplemental Appropriations	Other Authorized Appropriations	Expenditures
<u>DEBT SERVICE</u>			
EXECUTIVE BRANCH			
Agriculture	\$ 897,000	\$ 145,800	\$ 1,042,800
Commerce and Economic Development	435,000	996,519	1,431,519
Community Affairs	2,779,000	(1,510)	2,777,490
Corrections	28,705,000	(1,805,551)	26,899,449
Education	5,737,000	(200)	5,736,800
Energy	3,012,000	(1,598)	3,010,402
Environmental Protection	88,209,000	1,758,036	89,967,036
Health	89,000	—	89,000
Higher Education	41,568,000	(4,112)	41,563,888
Human Services	26,796,000	2,560,331	29,356,331
Law and Public Safety	398,000	—	398,000
Transportation	90,710,000	2,849,870	93,559,870
Treasury	6,500,000	(6,497,584)	—
TOTAL EXECUTIVE BRANCH	<u>295,835,000</u>	<u>1</u>	<u>295,832,585</u>
TOTAL DEBT SERVICE	<u>\$295,835,000</u>	<u>\$ 1</u>	<u>\$295,832,585</u>

<u>Lapsed</u>	<u>Encumbrances</u>	<u>Continuing Appropriations</u>
\$ —	\$ —	\$ —
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
—	—	2,416
—	—	2,416
\$ —	\$ —	\$2,416

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 1986**

	Original and Supplemental Appropriations	Other Authorized Appropriations	Expenditures
<u>FEDERAL</u>			
EXECUTIVE BRANCH			
Chief Executive's Office	\$ —	\$ 53,469	\$ 53,469
Agriculture	—	1,751,808	1,049,848
Civil Service	—	64,496	58,787
Commerce and Economic Development	—	1,901	—
Community Affairs	—	92,040,243	51,042,848
Corrections	—	2,303,147	2,156,404
Defense	—	3,995,288	3,662,319
Education	—	279,087,310	270,461,590
Energy	—	83,770,365	2,964,955
Environmental Protection	—	28,672,991	20,908,116
Health	—	64,579,022	55,783,861
Higher Education	—	36,570,410	30,517,217
Human Services	—	1,291,782,621	1,206,014,622
Labor	—	243,175,789	204,278,863
Law and Public Safety	—	12,497,923	10,407,417
Public Advocate	—	690,458	588,194
State	—	793,762	500,729
Transportation	—	106,046,956	56,175,454
TOTAL EXECUTIVE BRANCH	—	2,247,877,959	1,916,624,693
JUDICIAL BRANCH	—	17,566,315	13,295,197
TOTAL FEDERAL	\$ —	\$2,265,444,274	\$1,929,919,890

<u>Lapsed</u>	<u>Encumbrances</u>	<u>Continuing Appropriations</u>
\$ —	\$ —	\$ —
—	357,686	344,274
—	5,709	—
—	—	1,901
—	34,080,121	6,917,274
—	93,237	53,506
—	286,194	46,775
—	7,921,112	704,608
—	1,046,583	79,758,827
—	5,436,205	2,328,670
—	8,542,697	252,464
—	3,165,887	2,887,306
—	33,727,112	52,040,887
740,477	35,983,998	2,172,451
582	1,101,093	988,831
—	101,529	735
—	264,372	28,661
—	17,688,304	32,183,198
<u>\$741,059</u>	<u>\$149,801,839</u>	<u>\$180,710,368</u>
—	4,251,118	20,000
<u>\$741,059</u>	<u>\$154,052,957</u>	<u>\$180,730,368</u>

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 1986**

	<u>Original and Supplemental Appropriations</u>	<u>Other Authorized Appropriations</u>	<u>Expenditures</u>
ALL OTHER			
LEGISLATIVE BRANCH	\$ —	\$ 27,500	\$ —
EXECUTIVE BRANCH			
Chief Executive's Office	—	217,407	198,178
Agriculture	—	14,557,180	9,944,643
Commerce and Economic Development	—	504,549	9,893
Community Affairs	—	28,853,366	9,091,652
Corrections	—	24,607,237	18,814,106
Education	—	5,551,922	3,622,294
Energy	—	4,968,558	4,400,870
Environmental Protection	—	31,727,523	20,636,559
Health	—	10,791,733	5,721,160
Higher Education	—	61,372,268	35,471,034
Human Services	—	57,494,871	44,906,223
Insurance	—	676,661	557,352
Labor	—	38,957,669	32,583,594
Law and Public Safety	—	30,521,987	21,308,790
Public Advocate	—	4,274,983	3,943,938
State	—	2,912,734	1,840,816
Transportation	—	17,861,738	6,636,655
Treasury	—	900,089,530	846,643,358
Inter-Departmental Accounts	—	7,129	—
TOTAL EXECUTIVE BRANCH	—	1,235,949,045	1,066,331,115
JUDICIAL BRANCH	—	1,797,427	1,618,010
TOTAL ALL OTHER	\$ —	\$1,237,773,972	\$1,067,949,125

<u>Lapsed</u>	<u>Encumbrances</u>	<u>Continuing Appropriations</u>
\$ —	\$ —	\$ 27,500
—	7,163	12,066
—	884,437	3,728,100
—	25,288	469,368
—	3,710,638	16,051,076
—	2,038,421	3,754,710
—	369,233	1,560,395
—	29,952	537,736
—	2,994,059	8,096,905
—	1,469,034	3,601,539
—	3,667,019	22,234,215
—	5,508,188	7,080,460
—	26,038	93,271
—	642,628	5,731,447
—	1,683,074	7,530,123
—	298,075	32,970
—	356,750	715,168
—	1,582,078	9,643,005
2,731,827	20,507,701	30,206,644
—	—	7,129
2,731,827	45,799,776	121,086,327
—	169,881	9,536
<u>\$2,731,827</u>	<u>\$45,969,657</u>	<u>\$121,123,363</u>

**STATE OF NEW JERSEY
GENERAL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 1986**

	<u>Original and Supplemental Appropriations</u>	<u>Other Authorized Appropriations</u>	<u>Expenditures</u>
GENERAL FUND SUMMARY			
LEGISLATIVE BRANCH	\$ 31,977,000	\$ 29,658,252	\$ 39,724,070
EXECUTIVE BRANCH			
Chief Executive's Office	3,862,000	826,612	4,331,860
Agriculture	9,349,000	17,092,148	19,240,449
Banking	9,810,000	152,849	4,662,617
Civil Service	14,873,000	2,469,389	15,863,281
Commerce and Economic Development	30,531,825	10,039,011	31,215,453
Community Affairs	179,806,622	126,658,269	199,263,058
Corrections	361,364,000	53,122,402	319,142,025
Defense	12,016,000	7,090,644	14,517,345
Education	1,078,781,000	306,032,547	1,332,269,987
Energy	24,987,000	93,142,283	34,297,431
Environmental Protection	394,654,000	106,996,712	234,637,602
Health	59,986,000	84,283,470	116,979,413
Higher Education	789,125,000	191,852,049	862,674,398
Human Services	1,555,255,000	1,427,825,069	2,717,424,037
Insurance	7,242,000	5,742,215	10,573,756
Labor	48,341,000	289,301,339	283,087,151
Law and Public Safety	244,731,000	83,941,010	263,629,719
Public Advocate	31,602,000	8,139,874	38,638,820
State	28,193,400	8,654,505	28,530,698
Transportation	543,270,000	187,895,260	615,348,557
Treasury	386,865,000	925,707,665	1,192,943,745
Miscellaneous Executive Commissions	3,276,000	1,261,399	3,731,285
Inter-Departmental Accounts	785,949,000	(142,073,313)	601,684,970
TOTAL EXECUTIVE BRANCH	6,603,869,847	3,796,153,408	8,944,687,657
JUDICIAL BRANCH	65,401,045	27,546,868	79,415,606
TOTAL GENERAL FUND SUMMARY	<u>\$6,701,247,892</u>	<u>\$3,853,358,528</u>	<u>\$9,063,827,333</u>

<u>Lapsed</u>	<u>Encumbrances</u>	<u>Continuing Appropriations</u>
\$ —	\$ 5,905,417	\$ 16,005,765
—	92,377	264,375
10,160	2,525,346	4,665,193
81,616	211,126	5,007,490
15,389	979,998	483,721
32,573	3,541,680	5,781,130
1,672,087	65,820,129	39,709,617
489,219	19,084,905	75,770,253
17,327	2,266,277	2,305,695
13,740,331	21,462,549	17,340,680
6	2,187,679	81,644,167
515,716	46,911,985	219,585,409
901,964	19,450,735	6,937,358
744,022	24,281,949	93,276,680
5,878,359	166,256,019	93,521,654
24,800	1,163,565	1,222,094
2,686,030	42,647,650	9,221,508
755,629	28,845,789	35,440,873
8,380	973,159	121,515
334,543	5,579,251	2,403,413
116,226	39,706,977	75,993,500
3,809,352	35,488,414	80,331,154
279	78,415	727,420
10,739,537	13,586,018	17,865,162
42,573,545	543,141,992	869,620,061
—	11,849,812	1,682,495
<u>\$42,573,545</u>	<u>\$560,897,221</u>	<u>\$887,308,321</u>

**STATE OF NEW JERSEY
PROPERTY TAX RELIEF FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 1986**

	<u>Original and Supplemental Appropriations</u>	<u>Other Authorized Appropriations</u>	<u>Expenditures</u>
DIRECT STATE SERVICES			
Treasury	\$ 24,055,000	\$ —	\$ 19,715,494
STATE AID			
Education	1,654,000,000	—	1,648,256,026
Treasury	404,100,000	—	398,909,295
TOTAL PROPERTY TAX RELIEF FUND	<u>\$2,082,155,000</u>	<u>\$ —</u>	<u>\$2,066,880,815</u>

**STATE OF NEW JERSEY
GUBERNATORIAL ELECTIONS FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 1986**

	<u>Original and Supplemental Appropriations</u>	<u>Other Authorized Appropriations</u>	<u>Expenditures</u>
DIRECT STATE SERVICES			
Law and Public Safety	\$3,000,000	\$337,688	\$2,806,756
TOTAL GUBERNATORIAL ELECTIONS FUND	<u>\$3,000,000</u>	<u>\$337,688</u>	<u>\$2,806,756</u>

<u>Lapsed</u>	<u>Encumbrances</u>	<u>Continuing Appropriations</u>
\$ 234,412	\$4,105,094	\$ —
5,357,814	386,160	—
5,190,705	—	—
<u>\$10,782,931</u>	<u>\$4,491,254</u>	<u>\$ —</u>

<u>Lapsed</u>	<u>Encumbrances</u>	<u>Continuing Appropriations</u>
\$ —	\$20,892	\$510,040
<u>\$ —</u>	<u>\$20,892</u>	<u>\$510,040</u>

**STATE OF NEW JERSEY
CASINO CONTROL FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 1986**

	Original and Supplemental Appropriations	Other Authorized Appropriations	Expenditures
DIRECT STATE SERVICES			
Law and Public Safety	\$28,555,000	\$ —	\$25,438,926
Treasury	19,374,000	—	17,995,063
TOTAL CASINO CONTROL FUND	<u>\$47,929,000</u>	<u>\$ —</u>	<u>\$43,433,989</u>

**STATE OF NEW JERSEY
CASINO REVENUE FUND
STATEMENT OF APPROPRIATIONS AND EXPENDITURES
FOR THE FISCAL YEAR ENDING JUNE 30, 1986**

	Original and Supplemental Appropriations	Other Authorized Appropriations	Expenditures
DIRECT STATE SERVICES			
Community Affairs	\$ 6,082,490	\$ —	\$ 5,890,062
Human Services	115,116,000	1,288,609	93,269,745
STATE AID			
Human Services	25,986,000	(1,288,609)	5,277,694
Transportation	11,458,000	—	—
Treasury	17,900,000	—	17,900,000
TOTAL CASINO REVENUE FUND	<u>\$176,542,490</u>	<u>\$ —</u>	<u>\$122,337,501</u>

<u>Lapsed</u>	<u>Encumbrances</u>	<u>Continuing Appropriations</u>
\$2,165,185	\$ 950,889	\$ —
537,189	841,748	—
<u>\$2,702,374</u>	<u>\$1,792,637</u>	<u>\$ —</u>

<u>Lapsed</u>	<u>Encumbrances</u>	<u>Continuing Appropriations</u>
\$ 844	\$ 191,584	\$ —
3,591,923	19,542,941	—
<u>8,035,697</u>	<u>11,384,000</u>	<u>—</u>
—	11,458,000	—
—	—	—
<u>\$11,628,464</u>	<u>\$42,576,525</u>	<u>\$ —</u>